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POLITICAL AFFAIRS

Congress Urged To Resolve Economic Crisis

934E0255A Moscow TRUD in Russian 10 Mar 93
Evening Edition p 1

[Article by Nikolay Kishkin: "The People Are Tired of the Upheavals"]

[Text] Three months separate the Seventh Russian Congress of People's Deputies from the Eighth, Special, Congress opening today. What has this period of time shown?

We frequently hear today: Enough of political "show-downs," it is time to really deal with the economy. An entirely reasonable demand if it considered that the economy is not only in profound crisis but has long been a hostage to politics. It was to the surmounting of this abnormal situation that the conciliatory resolution adopted at the last Congress and the April referendum it scheduled were geared. It afforded, seemingly, an opportunity for an end to be put to the destructive confrontation of the authorities once for all and for, finally, some work to be done.

But it was soon ascertained that it was only possible to take advantage of it given the general accord and desire of all political forces. And it was this desire which was not revealed. As of mid-January an active attack on the very idea of a referendum was mounted from deep within the Supreme Soviet (and not just from it alone). There came to be mutual intimidation with the fact that an appeal to the people would cause a split in society, the disintegration of Russia, and God knows what else. The political atmosphere became more heated as the days went by, and by mid-February it had become clear that conducting a referendum in such an atmosphere was, truly, problematical. This was stated by the leaders of republics which are subjects of the Federation and the Constitutional Court.

Under these conditions the president made his move. Very well, he said, let us try without recourse to a referendum to conclude an agreement between the legislature and the executive, in which each undertakes not to interfere in the powers of the other and to refrain from steps aimed at upsetting the balance of powers. This proposal was supported by the Constitutional Court, and the speaker of parliament agreed with it in principle. But it was here that it came to be ascertained that the legislator wants neither a referendum nor an agreement—he simply cannot, it would seem, relinquish the idea of his own absolute power. The president went his half of the way, presenting to the Supreme Soviet a working draft agreement. Parliament, however, not only postponed consideration of it until the last day but failed to present its own document. The time for reaching agreement was let slip, and now all this will spill out onto the Congress.

What should we expect from it? The alternatives could be unexpected. But if all political and legal nuances are jettisoned, it is essentially a question of just one thing: the direction in which our statehood will develop. And there are only two paths here. The first—we build a democratic state based on the principle of a clear-cut separation of powers, in which each balances the other and none may have absolute power. Given this scenario, as the experience of all democratic countries shows, I, a citizen, would have the most protection against both the absolute rule of a president and his team and the absolute rule of several hundred deputies, who also could act completely recklessly.

The second path is a return to the "republic of soviets," to the type of state with the complete destruction of the independence of the executive. Judging by the recent statements of a number of influential deputies, and of the speaker also, attempts could be made to return us to this path. R. Khasbulatov, for example, has declared that the government should altogether be removed from the control of the president and made accountable only to parliament. Given these conditions, where the powers "interface," the length of the vertical line, what is more, the present speaker or whoever replaces him in the future would essentially be the No. 1 in the state, with inordinate powers, what is more. The oddest thing is that, were this to come about, parliamentarianism would be done away with... by the hands of parliament: We recall that in his April theses Lenin even saw this republic of soviets as the antipode of the parliamentary republic. And he was right: It is very convenient to manipulate a single power vertical, which itself decides the laws and itself executes them, which was what the CPSU did for dozens of years....

It is significant that, championing similar ideas, V. Isakov, a leader of the Russian Unity bloc, substantiated them by the noble aspiration to defend the government against the president. The office of the president, he declared, is substituting for the government, which cannot function as an independent body. But here's the puzzle: Prime Minister V. Chernomyrdin, who was unanimously appointed by the Congress, was declaring at literally the same time that for the government the president had always been the main support and that it senses on the part of the president not petty tutelage, as on the part of parliament, but solid and powerful support. Who is impeding whom?

A month ago even the V. Chernomyrdin government had approved a plan of action for realization of the economic reform, which provides for measures pertaining to the social protection of society, the surmounting of the decline in production, financial stabilization, and support for the rural producers. But it is convinced that unless the balance of powers is restored quickly, these plans will remain on paper because the government has been deprived of the opportunity for normal work. It is

important that the Congress recognize this. Only harmony can extricate us from the political impasse and make it possible to deal with the ailing economy in earnest.

What are the options of the Congress and the president? B. Yeltsin could offer the deputies the draft agreement ignored and then rejected by the Supreme Soviet. But it is unlikely that any accommodation could be reached in a thousand-strong audience seething with passions. The Congress could attempt to revoke the December resolution in respect to a referendum. But doing so while remaining in a legal environment is, it would seem, impossible: After all, that agreement stipulates directly that all its points operate in a package, and, consequently, the rejection of one would mean termination of the others. But the president, by virtue of this agreement, has already compromised and chosen a candidate for prime minister from the ranks of the said deputies. Has the Congress then deceived the president?

And if the referendum is held, for all that, what will the question be? The Supreme Soviet, which was to have formulated the questions in good time, coordinated them with the president and the Constitutional Court and forwarded them to the subjects of the Federation, did not do so: The draft drawn up by the Supreme Soviet Presidium was simply not put to the session. The president waited until the last minute. He has now put forward his own version of the basic constitutional provisions and has the right to insist that the referendum be held.

These are the questions which B. Yeltsin proposes:

1. Do you agree to the Russian Federation being a presidential republic?
2. Do you agree to the sole supreme legislative body of the Russian Federation being a bicameral parliament?
3. Do you agree that the new Constitution of the Russian Federation should be adopted by a Constitutional Assembly representing the entire multinational people of the Russian Federation?
4. Do you agree that each citizen of the Russian Federation has the right to possess, enjoy, and dispose of land as an owner?

Of course, the Congress could in this case also refuse to hold a referendum, even disregarding the unlawful nature of such a step. The president would then be left with the following option: appealing to the people directly, but not in the form of a referendum, which he does not have the right to call independently, but by way of a nationwide poll. Its results would not, of course, have direct legal consequences but it would be hard, for all that, to ignore in legislative activity the opinion expressed by the people.

As we can see, simple solutions from the Congress are not to be expected. Nonetheless, there remains the timid hope that the deputies will recognize the entire extent of

the risk of a continuation or, God forbid, intensification of the confrontation and will look for ways toward harmony. Wisdom is required of all "parties" more than ever. We truly need a great Russia, not great upheavals.

Supreme Soviet Discusses Possible Agenda

934F0177A Moscow ROSSIYSKAYA GAZETA in Russian
26 Feb 93 p 1

[Article by Aleksandr Linkov, parliamentary observer:
"The Eighth Congress Assembles After 8 March"]

[Text] Having yesterday adopted the proposed agenda as the basis, and it contained ten questions, the parliamentarians at once tried to introduce a number of further additions to it. Deputy V. Travnikov demanded information from the Ministry of Defense about the Officers' Meeting that was held. Along the same line was the proposal of M. Molostinov, who is disturbed by the activization of various unregistered groups that come out with anti-constitutional appeals. In his opinion, it is necessary to give an assessment of a number of deputies, who openly support these demands.

The members of the faction "Smena—Novaya politika" [Change—New Politics] I. Muravyev and O. Plotnikov insisted on the creation of deputy commissions. One of them should take up the study of the legality of presidential initiatives, the other one—investigate the situation that has taken shape in television, where, in the opinion of O. Plotnikov, political censorship has already been introduced.

Deputy L. Ponomarev considered questions of the forthcoming referendum and the draft constitutional agreement as the main subject for immediate discussion.

One of the initiators of the collection of signatures in support of holding an extraordinary Congress, B. Dorokin, proposed to settle on a date for the convocation. The necessary number of votes for this was obtained. Besides this, there is great support from the heads of administrations and leaders of the Soviets.

There were also other proposals. The discussion around them took about 1.5 hours. After an exchange of opinions, many of them simply were not included in the agenda, others were carried over to the next session. Including also the question about the convocation of an extraordinary Congress of People's Deputies.

Expressing his point of view, the chairman, R. Khasbulatov, noted that it is necessary to hold the Congress. This was also declared unanimously at the last conference in Novosibirsk. But at the same time, it is impossible to refuse the people its right to a referendum. Now the Supreme Soviet has its variant of formulations, but up to now nothing has been received from the President.

The parliamentary leader once again spoke out in favor of holding early elections simultaneously for President and the deputy corps no later than the spring of next year.

The subject of a constitutional agreement was pointedly raised, the draft for which was prepared by the presidential side and distributed in the parliament. The deputies A. Golovin and S. Baburin regard its examination impossible since the demands advanced in the draft are unconstitutional.

The final result was that the question of the convocation of an extraordinary Congress will be examined next Thursday. One can assume that precisely on this day there will be a pointed discussion of the agenda, the prospects for holding the referendum, and the fate of the draft constitutional agreement. For the present, it may be supposed that most likely the Congress will meet on 9-10 March.

The parliamentarians turned down the draft fundamentals of the legislation on the protection of the family, maternity, paternity, and childhood. The chairman of the Committee for Legislation, M. Mityukov, spoke quite categorically against this bill, believing that the attempt to make the family a subject of law, as this is written in the fundamentals, will explode the existing legislation. This point of view was also supported by another member of the above-mentioned committee—D. Stepanov. The attempts of N. Pavlov and other deputies no less energetic—to defend the prepared draft—had no effect. As a compromise, the fundamentals of legislation were sent for finishing, for the elaboration of some articles.

Having decided the fate of one enforceable enactment, the parliamentarians examined and adopted the decree of the Supreme Soviet on the State Non-Budget Fund for the Reproduction of the Minerals and Raw Materials Base.

Poll Suggests Referendum 'Highly Doubtful'

934E0187A Moscow *RABOCHAYA TRIBUNA* in Russian
26 Feb 93 p 1

[Unattributed article: "The Chances for Conducting a Referendum Are Highly Doubtful"]

[Text] When conducting a survey of leaders in Russia's political and social life (400 people), the VP [Vox Populi] Service for Studying Public Opinion drew the following conclusion: The referendum is threatened with failure. You can see in the diagram how the forecasts of those surveyed broke down.

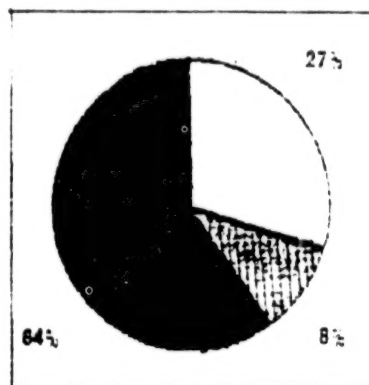
Sixty-four percent of the respondents expressed confidence that only up to half of the population would come to the ballot-box. This will make the expensive measure to conduct the referendum senseless because at least 51 percent of the country's inhabitants, who have reached adulthood, is required in order to recognize the legality

of its results. One out of five "pessimists" thinks that one can count on the activity of no more than 25 percent of the citizens. However, a large part of the group surveyed, nevertheless, raised this figure to 40 percent.

Twenty-seven percent of the respondents expressed more optimistic forecasts—they hope that more than half of Russia's population will express their weighty utterance in April.

Only eight percent of those surveyed found it difficult to answer the question of how many of the country's inhabitants would participate in the coming referendum.

The survey was conducted among Russia's people's deputies, directors of state enterprises, entrepreneurs, scientific and cultural figures, leaders of the press, and leaders of political parties. It is possible to note that, with the exception of the two last groups of respondents (their opinions broke down equally), the others—in an overwhelming majority—think that the chances for conducting a referendum are extremely doubtful.



Buryatia PM Opposes Holding Referendum

934F0034A Moscow *ROSSIYSKAYA GAZETA* in Russian
5 Feb 93 p 1

[ITAR-TASS-attributed report: "In Buryatia They Are Having Doubts About the Need for a Referendum"]

[Text] The prime minister of the Republic of Buryatia, Vladimir Saganov, has called the upcoming April referendum a caricature of a public relations exercise.

The head of the government expressed his serious doubts that the Fundamental Law of the state can be debated by means of "a vote in polling booths." "At a referendum," he said, "precisely worded questions should be posed for which two opposite answers can be given—'yes' or 'no'—not questionnaires with propositions that can be debated for a long time and that may be interpreted in different ways. The Congress of People's Deputies should formulate the questions before people express their will."

Tomsk Residents Polled on Referendum, Reforms
934F0170B Moscow ROSSIYSKIYE VESTI in Russian
25 Feb 93 p 2

[Article by Sergey Ovsienko: "The Russian Heartland Is Experiencing an Information Famine"]

[Text] Not long ago Tomsk Oblast Presidential Representative Stepan Sulakshin spoke out in our newspaper, and expressed in the name of its readers the opinion that the present Congress of People's Deputies cannot be trusted to adopt a new Constitution. One respected newspaper expressed doubt as to Sulakshin's right to speak thus in the name of the citizens of Tomsk. But if, the newspaper suggested, a sociological survey were conducted in the oblast, then perhaps... Well, what of it? A survey is a survey. In January (prior to Sulakshin's statement in "RV"), the Tomsk Fund for the Support of Progressive Economic Reform sponsored research on the forthcoming referendum, in which 800 persons with the right to vote were polled.

The goals and tasks of the survey included an assessment of the public's degree of readiness for the referendum, the alignment of the political structures, the degree of political activeness of the public and the degree of trust in the power structures in Russia.

Here are the results received from the main question: "Do you intend to take part in the referendum?" Answering positively was 33.75 percent of those polled; 33.0 percent do not intend to take part, and 33.25 percent of the respondents were hesitant because they did not have enough information on the most important political events.

It is evident that, although a certain attitude toward the referendum has taken shape in the Russian heartland, nevertheless not enough objective information about it is reaching the citizens.

Analysis of the social groups which spoke out in favor of the referendum provides basis for reflection in the process of conducting the preparatory campaign: among them were 91 ordinary workers, 51 engineering and technical workers, 22 white-collar workers, 30 health-care and education workers, 21 students and pupils, one military serviceman, 16 entrepreneurs, and 38 pensioners and housewives.

Expressing a negative attitude toward taking part in the referendum were 64 ordinary workers, 38 engineering and technical workers, 15 white-collar workers, 36 health-care and education workers, 39 students and pupils, 3 military servicemen, 25 entrepreneurs, and 43 pensioners and housewives.

Nearly 42 percent of those polled do not support attempts to cancel the referendum, while 11 percent approve, and the remainder of the respondents are unconcerned.

These data once again confirm that citizens in the Russian heartland are not well-informed on the goals and tasks of the forthcoming referendum. The organizers of the sociological research decided to determine the rating of the mass information media from which respondents receive information on political life in Russia. Out of 583 persons responding to the question on sources of information, 236 persons watch the "Novosti" program and 236 watch "Vesti"; 89 persons read "AiF" [ARGUMENTY I FAKTY], 67 watch "600 Sekund" (This program is distributed via video cassette), and 59 watch "Itogi"; 43 read KOMSOMOLSKAYA PRAVDA, 52 listen to "Radio Rossii," and 21 read TRUD...

Responses to a questionnaire concerning the citizens' preferences illustrate the correlation of federalist and autonomist sentiments, and not only in the oblast. To a certain extent the results of the polling on this topic can be projected to the entire Siberian region. After all, Tomsk is the "birthplace" of the idea of a "Siberian Covenant."

Twenty-one percent of those polled would prefer to be citizens of the USSR; of the Russian Federation, 51 percent; of an independent Siberian state, 9.0; while 3.0 percent of the respondents desire to move away and change their citizenship, and 78 persons (9.0 percent) had difficulty answering the question.

Apparently, autonomist sentiments in Tomsk are not especially widespread, but nostalgia is quite perceptible for a unified, powerful and influential state since 21 percent of those polled identify with the USSR.

An evaluation of the form of supreme authority in Russia was made possible by a question on the preference for a republic headed by a President, or for Soviet rule headed by the Supreme Soviet.

Three-hundred-sixty-four respondents favor a presidential republic, 149 of those polled are in favor of the soviet form of rule, and 286 persons had difficulty answering the question.

The opinion of the respondents was sharply divided on the question of land ownership as well: 57 percent responded in favor of private ownership of the land, 22 percent for state ownership, and 19 percent had difficulty answering.

Attitudes of 800 respondents toward the course of reforms showed that 52 percent are in favor of continuing the economic market reforms, 23 percent are for restoration of the principles of a socialist economy, and the remainder had difficulty answering.

A question concerning trust in the central authorities produced a variety of answers. Here is what the people of Tomsk prefer: 7.0 percent of the respondents trust the Government; 23 percent trust the President; the Constitutional Court, 10 percent; the Supreme Soviet, 5.0

percent; the Congress of People's Deputies, 6.0 percent; and the remainder (46 percent) did not express an attitude.

It would appear that Moscow should devote serious thought to the answers to this question.

Other answers to the question on trust, but this time on Russian leaders, provide serious food for thought as well. The question allowed four options in response: "I do not trust," "I do trust," "I am indifferent," and "I do not know of him." For the sake of economy, I will cite the answers to the question according to the second option, "I do trust." I remind you, 800 persons were polled.

Forty-seven respondents trust Volstkiy; 303, Yeltsin; 33, Zhirinovskiy; 158, Rutskoy; 103, Khasbulatov; and 146, Chernomyrdin.

The highest rating of trust is, as evident, for Boris Yeltsin (37.83 percent); but those who do not trust him amount to 40.63 percent. The highest rating of non-trust goes to R. Khasbulatov, 51.62 percent. Rutskoy drew the highest rating of indifference, 37.63 percent; while the highest ratings for non-recognition went to A. Volstkiy, 28.38 percent, followed by V. Chernomyrdin with 27.50 percent; but, the respondents express the least amount of distrust in the Premier.

The question, "Which parties or political movements express your interests," produced somewhat different results. While recognizing that [some of] the 800 persons polled do not consider the parties and movements listed on the questionnaire representative of their interest, the Civic Union [Grazhdanskiy Soyuz] enjoyed the greatest influence in the responses (a paradox, since the leader of the GS received the highest rating for non-recognition), 11.0 percent; Democratic Russia, 7.0 percent; the Peasant Party and Economic Liberty Party, 6.0 percent; the Russian Constituent Assembly, 3.0 percent; and the Communist Party, 3.0 percent.

I will not comment on the results of the survey in detail. I think that they are quite clear. I would just like to say that, no matter how the Russian leaders resolve their political tasks at the center, the provinces have the last word. But they, unfortunately, are experiencing a great famine of information.

Problems in Coordinating Local, National Legislation Viewed

934F0071A Moscow ROSSIYSKIYE VESTI in Russian
11 Feb 93 p 2

[Article by Yuriy Tikhomirov, under rubric "The Law": "Decisions 'From Below' Frequently Contradict the Laws. How Can Their Quality Be Improved?"]

[Text] At the end of last year, in Petrozavodsk, I became acquainted with decisions of local agencies. It turned out that a list was planned from 31 documents, to be developed by the mayor's office, and 13 documents to be

approved by the city soviet in conformity with the self-government charters. That had never happened previously, inasmuch as the decisions used to come in a flow from above, and in the outlying areas steps "in execution of" and plans for the measures were taken. Now, however, the percentage of the acts promulgated by the territorial agencies is increasing sharply.

The explanation of the tendency lies in the change in the status of the krais, oblasts, and autonomous formations, which have become subjects of the Federation. Their legal acts have acquired the sense of state decisions, and it is not by happenstance that, in the Federative Treaty and the Constitution, it has been established that their charters are subject to state protection in the same way that laws are. Yes, local self-government received, by law, those guarantees of independence at a time when a barrier is being erected against the stream of documents from the top and much can be decided in a procedure of self-regulation.

That is the model of territorial decisions. But what occurs in the practical situation? The real picture fails greatly to coincide with it. And here we might note first of all the lack of clarity with the understanding of the nature and varieties of those acts. Their large number and their variety with regard to content and form at times make it difficult to establish order in the creation of territorial norms.

What kind of documents are these?

First, constituent acts of the type of kray and oblast charters, local self-government charters for cities and rayons, and management schemes. Second, regulating acts—statutes governing permanent commissions, regulations for Soviets, instructional guides. Third, general directive acts—decisions, decrees, orders, directives. There are also certifying acts—certificates, balance sheets, construction plans, etc. One can also isolate self-government acts—decisions made by meetings, assemblies, and local referenda.

Each type of act should serve to resolve a particular task, and all of them together should serve to execute the functions of the Soviets and the administration. Also, this very rarely happens. The quality of a number of documents is low. The charters imprecisely delimit the powers and the levels of decision-making. The schemes for management of the oblasts are prepared in a simplified manner, in the form of a list of agencies.

Frequently the local acts go beyond the limits of "what is allowed by the law" and "pull away" to themselves the competency of the federal or other higher agencies. Why, for example, was it necessary for the small Kostroma Oblast Soviet to declare by its decision that all the citizens of the former USSR who are not residing in Russia are foreign citizens or persons without citizenship? On the other hand, the central agencies repeatedly violate the rights of the territories and thus deprive them of the opportunity to make decisions within the confines of the law. One can understand, in particular, the protest

of the chairmen of a number of oblast Soviets with regard to violation of the laws governing the budget and taxes in the President's 1993 budgetary message, when Minfin [Ministry of Finance], acting on its own, "coordinates" the budgets of the krays and oblasts.

Currently the statutes governing the links in the administration are approved in the outlying areas. Familiarization with certain statutes concerning the committees of the mayor's office in St. Petersburg and Petrozavodsk has convinced me that they imprecisely define the vertical and horizontal ties and the nature of the decisions. It is unclear whether we now have a legal vertical line. But the departments either continue to "lean on" the outlying areas, or remain aloof and do little to help.

It is fitting here also to deal with the legal foundations for the making of decisions by territorial agencies. In the sphere of the joint competency of the federation and the krays and oblasts, the publication *Principles of Legislation* and other federal acts opens up the path for the creation of norms in the regions. It is a good thing when these acts have been stipulated in the Education Law, in the Principles of City Construction, and the Principles of Legislation Pertaining to Culture. So the Novgorod Oblast Soviet, in development of the law governing the privatization of enterprises, approves its own Statute Governing the Procedure for the Privatization of Enterprises, on the basis of land laws—Statutes Governing the Allotment of Sectors of Land. The situation is proceeding along the same path in Irkutsk Oblast.

It is important at such time not to reproduce almost completely the norms of laws to avoid "legal devaluation" and to find the precise measure of their legal concretization. Consequently, local acts of the type of rules, statutes, the procedure for the use of monuments of history and culture, the granting of benefits to enterprises, and the leasing of housing are possible and desirable. When? If there are direct references to them in the laws, or their concretization is allowed on the basis of the sense of the norms. But definitely without changing the content of the actions, the subject of the decision-making, etc.

It is incomprehensible why, in a number of oblasts, attempts are being made to consider as invalid certain laws and edicts, or individual statutes in them. In general a break in the threads between the law and a local act is pernicious for economic and social activities. Because then the laws "hover" in the air and are not implemented, while the acts promulgated by the territorial agencies become substitutes for them. The chaos in the outlying areas increases, and the integrity of administration suffers.

Of course, the increase in the percentage of the acts promulgated by territorial agencies is invariably accompanied by legal collisions and conflicts. Legislation stipulates the procedure for suspension and repealing of acts. But, unfortunately, in the courts there are few disputes with the participation of the Soviets or the administration, and more frequently they are reviewed in a court of arbitration. And yet there exist opportunities for reviewing disputes

concerning competency in the courts of Russia and of the republics that are part of it. For the time being, however, there are no such cases, and this creates the illusion of the arbitrary application of the statutes in the Constitutions and the laws and the enactment of local acts.

Taking into consideration the role of those acts, one ought to apply efforts to improve their quality. What is the best way to do that? What will certainly help are model rules or methodological recommendations for preparing, enacting, and executing decisions in the territorial agencies. In the krays, oblasts, rayons, and cities, what is needed is their own "decision rules," and plans for preparing them. It is necessary to begin immediately to create territorial agency "act banks" and Supreme Soviet law banks, and banks of acts of the President's and the government's apparatuses, which are linked to one another by information technology. Then it will be easy to execute them and to use them when preparing legislative and governmental acts, orders, and instructional guides of ministries and state committees.

Obviously, also, it will be necessary to assimilate the decision theory and the procedures for enacting legal acts at all levels. Without knowledge in this area it is difficult to count on high-quality decisions. But if there is an increase in the number of participants in preparing, enacting, and executing them, the assimilation of the appropriate knowledge must be viewed as a kind of proficiency requirement for the people's deputies and the workers at the central and territorial agencies.

Editorial comment. Yu. A. Tikhomirov, doctor of legal sciences, professor, first deputy director of the Institute of Legislation and Comparative Legal Studies.

Edict Restructures Presidential Office

935D02824 Moscow ROSSIYSKAYA GAZETA in Russian
5 Mar 93 p 5

[Edict of the president of the Russian Federation: "Improvement of the System of Support for the Activity of the President of the Russian Federation"]

[Text] For the purpose of an improvement in the organization of the activity of the president of the Russian Federation and an enhancement of the level and quality of the expert-analytical preparation of decisions, I resolve:

1. To form a Presidential Council and Council of Heads of Administration as consultative bodies under the president of the Russian Federation.

To approve the Regulations Governing the Presidential Council (Appendix 1) and the Regulations Governing the Council of Heads of Administration Under the President of the Russian Federation (Appendix 2).

To form a Control-Observation Council under the head of the Office of the President of the Russian Federation.

That the head of the Office of the President of the Russian Federation will submit for approval draft Regulations

Governing the Control-Observation Council and proposals concerning the personnel composition of the Presidential Council and the Control-Observation Council.

2. To approve the Regulations Governing the Office of the President of the Russian Federation and the structure of the Office of the President of the Russian Federation (Appendix 3).

To form in the Office of the President of the Russian Federation:

a Department of the Office of the President of the Russian Federation for Work With the Territories and Representatives of the President of the Russian Federation and Liaison With the Supreme Soviet of the Russian Federation;

an Analytical Center of the Office of the President of the Russian Federation for General Policy;

an Analytical Center of the Office of the President of the Russian Federation for Socioeconomic Policy;

an Analytical Center of the Office of the President of the Russian Federation for Special Presidential Programs;

a Center of Current Information of the Office of the President of the Russian Federation;

an Organizational Branch of the Office of the President of the Russian Federation.

To approve the regulations governing the Department of the Office of the President of the Russian Federation for Work With the Territories and Representatives of the President of the Russian Federation and Liaison With the Supreme Soviet of the Russian Federation (Appendix 4) the Analytical Center of the Office of the President of the Russian Federation for General Policy (Appendix 5), the Analytical Center of the Office of the President of the Russian Federation for Socioeconomic Policy (Appendix 6) and the Analytical Center of the Office of the President of the Russian Federation for Special Presidential Programs (Appendix 7).

That the head of the Office of the President of the Russian Federation will approve the regulations governing the other newly formed structural subdivisions.

3. To abolish the Presidential Consultative Council.

4. To abolish in the Office of the President of the Russian Federation:

the Office of the State Secretary of the Russian Federation;

the Information-Analysis Center of the Office of the President of the Russian Federation;

the Current Information Service of the Office of the President of the Russian Federation;

the staffs of advisers of the president of the Russian Federation.

5. To approve the Regulations Governing the Council of Experts Under the President of the Russian Federation (Appendix 8).

To form on the basis of the Group of Experts of the President of the Russian Federation and the Secretariat of the Chairman of the Council of Experts Under the President of the Russian Federation the working apparatus of the said Council.

6. To approve the structure of the Constitutional Law Department of the President of the Russian Federation (Appendix 9).

7. To convert the Main Social-Production Department of the President of the Russian Federation into the Main Social-Production Department of the Office of the President of the Russian Federation in accordance with the Regulations Governing the Office of the President of the Russian Federation.

That the head of the Office of the President of the Russian Federation will present for approval the Regulations Governing the Main Social-Production Department of the Office of the President of the Russian Federation.

8. To entrust to the Main Social-Production Department of the Office of the President of the Russian Federation material and technical and social-everyday support for the activity of the heads of federal arms of the executive of the Russian Federation and also employees of the Office of the President of the Russian Federation and the administrative machinery of the Council of Ministers-Government of the Russian Federation.

To entrust the medical and sanatoria-resort services for the said employees to the Government of the Russian Federation Medical Center.

9. That the head of the Office of the President of the Russian Federation will approve the structure and list of personnel of the subdivisions of the Office of the President of the Russian Federation within the limits of the current staffing level.

10. That the Constitutional Law Department of the President of the Russian Federation will present within two weeks' time proposals concerning the annulment of instruments of the president of the Russian Federation which have become inoperative in connection with the adoption of this edict.

11. That this edict will take effect the moment it is signed.

[Signed] B. Yeltsin, president of the Russian Federation
The Kremlin, Moscow
22 February 1993
No. 273

Note Appendices 1-9 are not published.

Yeltsin Reorganizes Administration

934E0199A Moscow IZVESTIYA in Russian 27 Feb 93 p 5

[Article by Vasily Kononenko, personal correspondent: "The President of the Russian Federation Is Trying To Make His Administration More Efficient"]

[Text] The ukase of President B. Yeltsin of the Russian Federation of 22 February this year on the reorganization of his administration was already reported in an earlier edition of IZVESTIYA. The editors also have copies of statutes on new links of the administration that seem relevant from the standpoint of the functioning of the presidential administration and the interaction of its different links. Here are some of them.

Statute on Presidential Council

This body already existed earlier under another name—the Advisory Council. It met when necessary, usually on the eve of important political events, to analyze the current situation. At the last meeting of the council the president requested the prominent political scientists and social and economic experts on the council to begin analyzing major issues of long-range concern to the Russians. The members of the Presidential Council will volunteer their services.

Statute on Council of Administration Heads

The creation of this kind of body was already being contemplated when the Council of Republic Leaders was established, primarily because the heads of local administrations who had signed the Federation Treaty were left out of the process of planning Russia's development strategy. The Governors' Union, which was created soon afterward as a public organization, did not become the kind of body the president could rely on for assistance in

decisions on major issues. Now the prime minister, the secretary of the Security Council, and the chairman of the State Committee on Ethnic Relations will attend meetings of the Council of Administration Heads. It should secure united action by federal and local agencies of the executive branch of government. Council members will not be paid a salary with administration budget funds.

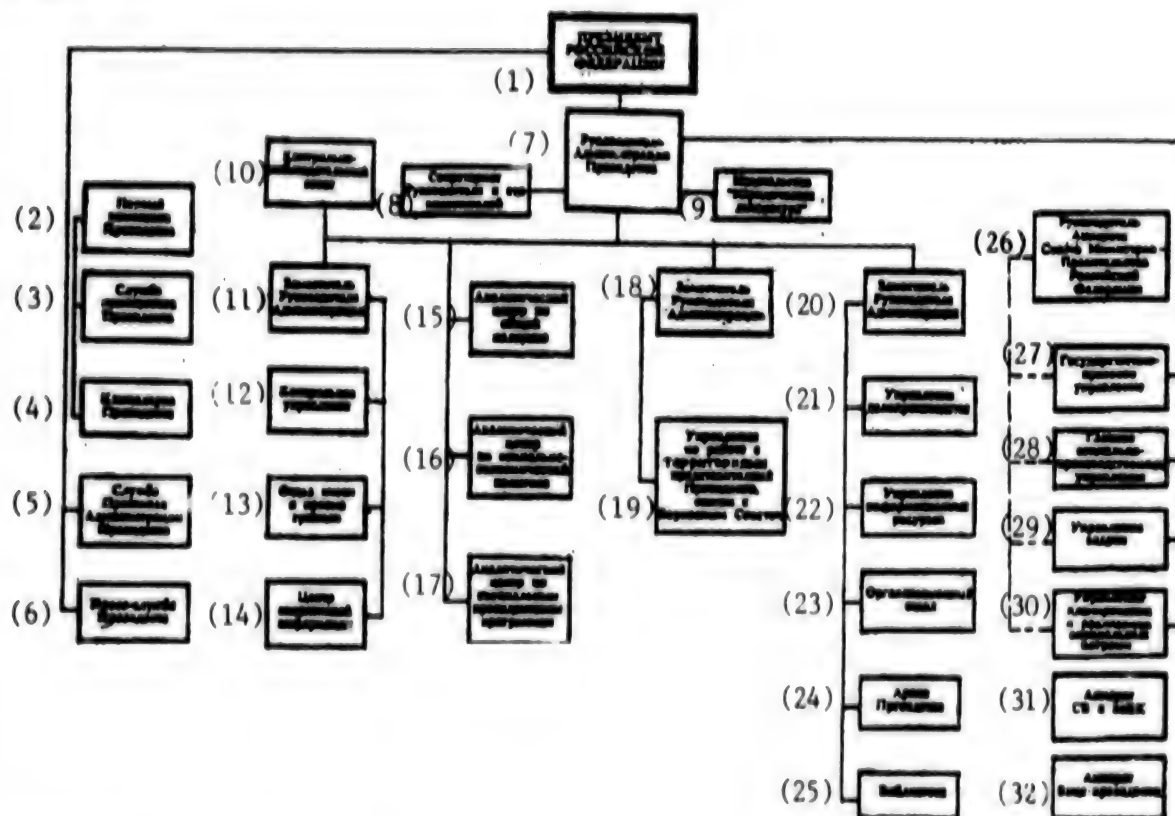
Statute on Presidential Administration

The administration now, in contrast to its earlier status, will represent a key body of government with jurisdiction over virtually all presidential services performing routine operations, including the vice-presidential secretariat, the government staff, the Security Council, the Control Directorate, and the State Legal Directorate. A council of experts and three analytical centers have been established in addition to several administration directorates and divisions. Finally, the director of the administration will now oversee the publication of presidential ukases and directives and manage finances within the confines of official cost estimates. It is true that the president's assistants and his office staff will still be only nominally accountable to the director of the administration, and the security service will also be under the direct jurisdiction of the president.

In this way, the presidency is acquiring a more or less precise structure, because even the most prominent experts on "Kremlin games" could not have come up with any precise replies in the past to questions about, for example, the exact position of the administration head or the Security Council secretary on the hierarchical ladder. Furthermore, as an administration spokesman told the IZVESTIYA correspondent, all of these changes will not add a single ruble to official cost estimates. The diagram illustrates the hierarchical structure of the presidential agencies.

RUSSIA

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Key:

- | | |
|--|---|
| 1. President of Russian Federation | 18. Deputy Director of Administration |
| 2. President's First Assistant | 19. Directorate on Work with Territorial Representatives of President and Liaison with Supreme Soviet |
| 3. Office of Presidential Assistants | 20. Deputy Director of Administration |
| 4. Office of the President | 21. Clerical Directorate |
| 5. Protocol Service of Presidential Administration | 22. Information Resources Directorate |
| 6. President's Press Service | 23. Organizational Division |
| 7. Director of Presidential Administration | 24. Presidential Archives |
| 8. Secretariat of Director and His Deputies | 25. Library |
| 9. "Yuridicheskaya Literatura" Publishing House | 26. Staff Director of Council of Ministers—Government of Russian Federation |
| 10. Oversight and Review Council | 27. State Legal Directorate |
| 11. Deputy Director of Administration | 28. Main Social Production Directorate |
| 12. Control Directorate | 29. Personnel Directorate |
| 13. Citizens' Appointments and Correspondence Division | 30. Special Program Planning and Implementation Directorate |
| 14. Operational Information Center | 31. Security Council and [illegible (MVK?)] Staff |
| 15. General Policy Analysis Center | 32. Vice-President's Staff |
| 16. Socioeconomic Policy Analysis Center | |
| 17. Special Presidential Programs Analysis Center | |

Yeltsin Edict on Local Militia

93SD0272A Moscow ROSSIYSKAYA GAZETA in Russian
25 Feb 93 p 6

["Edict of the Russian Federation President: On the Militia for Public Security (Local Militia) in the Russian Federation"]

[Text] In accordance with the RSFSR Law "On the Militia" and with the aim of ordering the activity of the Militia for Public Security (Local Militia), I decree:

1. To confirm the Decree on the Militia for Public Security (Local Militia) in the Russian Federation in accordance with Appendix No. 1, and the Listing of Subunits of the Militia for Public Security (Local Militia) maintained through funds of the republic budget of the Russian Federation, republic budgets of republics within the Russian Federation, the kray and oblast budgets of krays and oblasts, oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, according to Appendix No. 2.

2. Organs of executive authority of republics within the Russian Federation, krais, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and organs of local self-government will:

create the necessary conditions for effective functioning of subunits of the Militia for Public Security (Local Militia) with the aim of guaranteeing reliable protection of the rights, freedoms, and lawful interests of citizens, and of providing timely reaction to changes in the crime situation;

prohibit the use for other purposes of appropriations transferred from the republic budget of the Russian Federation to the republic budgets of republics within the Russian Federation, and to the budgets of national-state and administrative-territorial formations of the Russian Federation for maintaining the positions of precinct inspectors of militia, subunits of militia patrol and sentry duty, and state motor vehicle inspectors for registration and examination operations of the State Motor Vehicle Inspectorate;

be guided, in determination of the numerical strength of subunits of the Militia for Public Security (Local Militia), by norms confirmed by the Russian Federation Ministry of Internal Affairs in accordance with the RSFSR Law "On the Militia";

to provide, taking into account local conditions and the need to intensify the struggle against crime, for the allocation of additional financial assets to create new subunits of the Militia for Public Security (Local Militia) or increase the size of already existing militia subunits to a level above authorized-strength norms, and to reinforce its material-technical base, including through the use of financial resources of enterprises, institutions, and organizations, local taxes and charges, voluntary payments and contributions of associations and citizens.

[Signed] President of the Russian Federation B. Yeltsin
txt2

Moscow, the Kremlin txt2
12 February 1993 txt2
No. 209

Appendix No. 1

Decree on the Militia for Public Security (Local Militia) in the Russian Federation

1. General Provisions

The Militia for Public Security (Local Militia)—henceforth termed the Militia for Public Security—is an integral part of the Russian Federation Militia, and is part of the structure of the Russian Federation Ministry of Internal Affairs, Ministries of Internal Affairs of republics within the Russian Federation, internal affairs administrations (main administrations) of krais, oblasts, the autonomous oblast, autonomous okrugs, the cities of

Moscow and St. Petersburg, and Leningrad Oblast, and administrations (departments) of internal affairs for transportation.

In rayons, cities, and rayons of cities, the Militia for Public Security is established and functions as an independent structural element of the corresponding departments (administrations) of internal affairs.

The legal basis and principles of activity of the Militia for Public Security are determined by Russian Federation legislation.

2. Composition of the Militia for Public Security

The Militia for Public Security includes:

operations units (an operations unit of the Militia for Public Security is simultaneously the operations unit of the corresponding city or rayon department/administration of internal affairs and department/administration of internal affairs for transportation);

militia precinct inspectors;

confinement cells for temporary holding of individuals arrested and prisoners under guard;

special receiving centers for holding people under administrative arrest;

subunits:

of militia patrol and sentry duty, including detachments of special missions militia (OMON);

of the State Motor Vehicle Inspectorate;

of facility security by contract;

of guard and security escort for individuals detained and arrested;

for licensing, authorization, and oversight of private detective work and private security activity;

for implementation of administrative legislation;

for preventing violations of the law by minors;

for solving crimes, handling cases for which a preliminary inquiry is not mandatory;

specialized subunits for conducting inquests;

other subunits necessary for accomplishing tasks entrusted to the Militia for Public Security by Russian Federation legislation presently in effect.

3. Main Tasks of the Militia for Public Security

In accordance with Russian Federation legislation, the main tasks of the Militia for Public Security are:

to ensure the personal security of citizens;

to safeguard public order and ensure public security;

to prevent and effect interdiction of crimes and administrative legal violations;

to solve crimes whose cases do not require preliminary inquiry, and conduct investigations of crimes in the form of inquests;

to render assistance, within the limits of its jurisdiction, to citizens, responsible officials, enterprises, institutions, organizations, and public associations.

Other tasks may be imposed upon the Militia for Public Security only by law.

4. Obligations and Rights of the Militia for Public Security

Imposed upon the Militia for Public Security to their full extent are the obligations stipulated in Article 10 of the RSFSR Law "On the Militia," with the exception of obligations relegated by Russian Federation legislation to the jurisdiction of the criminal militia.

The Militia for Public Security are afforded rights as enumerated in Article 11 of the RSFSR Law "On the Militia," with the exception of rights relegated by Russian Federation legislation to the jurisdiction of the criminal militia.

The obligations and rights of the State Motor Vehicle Inspectorate and nondepartmental security are determined by the appropriate decrees ratified by the Council of Ministers-Government of the Russian Federation.

With the aim of fulfilling the obligations entrusted to it, the Militia for Public Security has the right to use physical force, special means, and firearms in instances and according to procedure as stipulated by Articles 12-15 of the RSFSR Law "On the Militia."

Guarantees of personal security, as envisaged by Article 16 of the RSFSR Law "On the Militia," apply to personnel of the Militia for Public Security to their full extent.

The social and legal protection of personnel of the Militia for Public Security, benefits, guarantees, and compensation afforded to them are as determined by appropriate provisions of the RSFSR Law "On the Militia" and by the Decree on Service in Internal Affairs Organs of the Russian Federation, and may be supplemented by other measures and guarantees established by Russian Federation legislation, by the Council of Ministers-Government of the Russian Federation, by organs of state authority and government of republics within the Russian Federation, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and by organs of local self-government.

5. Establishment, Reorganization, and Elimination of Subunits and Services of the Militia for Public Security

The establishment, reorganization, and elimination of subunits of the Militia for Public Security, including the

subunits of this militia for transportation, which are maintained out of funds of the republic budget of the Russian Federation, are effected by the Russian Federation Ministry of Internal Affairs within the limits of appropriations allocated for these purposes by the Council of Ministers-Government of the Russian Federation.

The numerical strength of the Militia for Public Security, maintained through funds of the republic budget of the Russian Federation, is established by the Council of Ministers-Government of the Russian Federation.

In accordance with the RSFSR Law "On the Militia," Russian Federation Law "On Local Self-Government in the Russian Federation," and Russian Federation Law "On the Kray and Oblast Soviet of People's Deputies and Kray and Oblast Administration," the establishment, reorganization, and elimination of subunits and services of the Militia for Public Security which are maintained out of funds of the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, are effected by the governments of republics within the Russian Federation, and the administrations of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, upon coordination with the Russian Federation Ministry of Internal Affairs.

The numerical strength of the Militia for Public Security, maintained through the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, are established by corresponding decrees of the governments of republics within the Russian Federation and of the administrations of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and must not be beneath the norms established by the Russian Federation Ministry of Internal Affairs.

The Supreme Soviets of republics within the Russian Federation, and Soviets of People's Deputies of krays, oblasts, the autonomous oblast, autonomous okrugs, the cities of Moscow and St. Petersburg, rayons, cities, rayons-in-cities, settlements, rural population centers, and other administrative-territorial units, formed in accordance with the laws of the Russian Federation and republics within the Russian Federation, may establish additional personnel strength authorization for the Militia for Public Security maintained out of their own budget funds. Increases in the personnel strength of the Militia for Public Security are officially drawn up by appropriate decree or resolution of an organ of state authority, as well as by order of the ministry of internal affairs of a republic within the Russian Federation or of an administration (main administration) of internal affairs.

Accountability of the Militia for Public Security to local organs of state authority and government is regulated by the Russian Federation Law "On the Kray and Oblast Soviet of People's Deputies and Kray and Oblast Administration" and Russian Federation Law "On Local Self-Government in the Russian Federation."

Organizational and procedural direction of detachments of special designation militia (OMON) is entrusted to the Russian Federation Ministry of Internal Affairs, and immediate direction—to the ministers of internal affairs of republics within the Russian Federation and directors of administrations (main administrations) of internal affairs of krays, oblasts, the autonomous oblast, autonomous okrugs, the cities of Moscow and St. Petersburg, and Leningrad Oblast.

The Militia for Public Security, except Militia for Public Security for transportation, is also subordinate to the appropriate Soviets of People's Deputies, to the governments of republics within the Russian Federation, organs of state authority and government of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and to organs of local self-government within the limits of their competence.

6. Interaction of the Militia for Public Security With Other Subunits of Internal Affairs Organs and the Organs of State Authority and Government

The Militia for Public Security accomplishes its tasks in interaction with the criminal militia, with other services of the organs of internal affairs of the Russian Federation, and with internal troops of the Russian Federation Ministry of Internal Affairs, as well as with other law enforcement organs.

With the aim of maintaining public order, guaranteeing public security, and preventing and stopping crimes, the Militia for Public Security interacts with organs of representative and executive authority, enterprises, institutions, organizations, labor collectives, public associations, and citizens, informs them and the mass media as to its activity in maintaining public order and guaranteeing public security.

7. Service in the Militia for Public Security

In the conduct of his official duties, a militiaman in the Militia for Public Security is guided by the requirements of the laws and may not be restricted by decisions of political parties, public associations, and mass social movements pursuing political aims.

The procedure and conditions under which militiamen of the Militia for Public Security carry out their state service are regulated by the RSFSR Law "On the Militia" and the Decree on Service in the Internal Affairs Organs of the Russian Federation.

8. Financing and Material-Technical Support of the Militia for Public Security

Financing of the Militia for Public Security and the directive organs of this militia is effected out of funds of the republic budget of the Russian Federation, the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, as well as out of other funds of local budgets and funds received from enterprises, institutions, and organizations whose facilities are protected by the militia by contract.

The transfer of subunit positions of the Militia for Public Security maintained out of funds of the republic budget of the Russian Federation to other services of the internal affairs organs is not permitted.

The provision to subunits of the Militia for Public Security, maintained out of funds of the republic budget of the Russian Federation, of weapons and clothing allowance in accordance with established norms and authorization tables is accomplished by the organs of material-technical and military supply of the Russian Federation Ministry of Internal Affairs at no charge; of remaining types of allowances—in exchange for payment out of appropriations allocated to these ends.

Subunits of the Militia for Public Security maintained out of republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, the city budgets of the cities of Moscow and St. Petersburg, rayon budgets of rayons, city budgets of cities, rayon budgets of rayons-in-cities, and the budgets of settlements and rural population centers, receive support, for all types of allowances, from the organs of material-technical and military supply of the Russian Federation Ministry of Internal Affairs in exchange for payment.

Appendix No. 2

Listing of Subunits of the Militia for Public Security (Local Militia) Maintained Through Funds of the Republic Budget of the Russian Federation, Republic Budgets of Republics Within the Russian Federation, the Kray and Oblast Budgets of Krays and Oblasts, Oblast Budget of the Autonomous Oblast, Okrug Budgets of Autonomous Okrugs, and the City Budgets of the Cities of Moscow and St. Petersburg

Authorized strength norms are confirmed by the Russian Federation Ministry of Internal Affairs.

Subunits of the Militia for Public Security (Local Militia) Maintained Through Funds of the Republic Budget of the Russian Federation

The Special Missions Militia Detachment (OMON)—is established in a republic, kray, or oblast center, or other

major city with extremely complex operations environment and population above 300,000, as well as in the major transportation centers of the cities of Moscow, St. Petersburg, Rostov-on-Don, Samara, Novosibirsk, Khabarovsk, and Yekaterinburg.

The State Motor Vehicle Inspectorate (GAI), in exercising oversight of compliance with established regulations in the sphere of road traffic safety—1 motor vehicle inspector per 3,000 motor vehicles, but not fewer than 1 in each city and rayon internal affairs organ.

The operations unit—is established:

in the internal affairs department of cities with population of 50,000 or more, or of rural rayon—8 staff positions; in the internal affairs department for transportation—8 to 12 staff positions; in the internal affairs section for transportation—8 staff positions.

Confinement cells for temporary holding of arrested individuals and prisoners under guard—authorized strength is determined by the extent to which these cells are actually occupied per day on the average: for up to 25 persons—8-11 staff positions; for 26-50 persons—13-16; 51-75 persons—17-20; and for 76-100 persons—21-25 staff positions.

The militia security escort service—a line subunit of militia security escort service is established in a republic, kray, or oblast center, or in a large city. Its strength is prescribed depending on the city population: over 1 million—250-300 staff positions; over 500,000—100-150; from 200,000 to 500,000—50-100; fewer than 200,000—25-50 staff positions.

In the cities of Moscow and St. Petersburg, the strength is determined by separate procedure of the Russian Ministry of Internal Affairs.

The authorized strength of a security escort subunit of a city or rayon organ of internal affairs is determined by the extent to which cells are actually occupied per day on the average: for up to 25 persons—6-8 staff positions; for 26-50 persons—12-16; 51-70 persons—16-20 staff positions.

The inquest service—1 inquest examiner per 165 sets of documentation on criminal matters examined per year, including the report on pretrial preparation of materials, or per 50 criminal cases.

Subunits of the Militia for Public Security (Local Militia) which are maintained out of the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg.

Militia patrol and sentry duty (PPS)—1 PPS militiaman per 1,000-1,500 of city population, 1 PPS militiaman per 120-150 homesteads in rural localities.

Precinct inspectors—1 precinct inspector of militia per 3,000-3,500 of city population; in rural localities, 1 precinct inspector of militia per rural or settlement Soviet of People's Deputies.

The State Motor Vehicle Inspectorate (GAI), exercising oversight of conformance with prescribed regulations in the sphere of road traffic safety—1 state motor vehicle inspector for registration and examination matters per 10,000 individuals being tested for motor vehicle licenses, or per 10,000 vehicles recorded in the motor vehicle register per year.

Road Patrol Service (DPS) of the State Motor Vehicle Inspectorate—1 DPS inspector per 35 kilometers of all-state and republic roadway; 1 DPS inspector per 200 kilometers of oblast and local roadway; in cities, 1 DPS inspector per 265 motor vehicles registered; 1 investigations inspector per 25 drivers per year who leave the scene of a motor vehicle accident; 1 inspector for administrative matters per 5,000 sets of administrative materials per year.

Inspectors for affairs involving minors—1 inspector per 4,000-5,000 minors.

Subunits concerned with implementation of administrative legislation of the Russian Federation—1 administrative inspector per 5,000 sets of administrative materials per year.

Special reception centers for persons subject to administrative arrest—authorized strength established depending on number of spaces: for 25-50—9-12 staff positions; 51-75—11-14; 76-100—16-19; 101-150—23-29; 151-200—29-34; 201-250—34-41; 251-300—42-47 staff positions.

Subunits of the Militia for Public Security (Local Militia) maintained out of funds received for facility security by contract.

Subunits of nondepartmental security under the organs of internal affairs—nondepartmental security departments and sections which have militia, paramilitary, and line subunits directly in their chain of command, are organized when the total number of security employees is more than 50, taking into account the possibility of developing a centralized security system with greater than 120-line capacity on the console and militia subunit with strength of at least 20 personnel.

TRUD on Yeltsin's Civic Union Speech

934E0204A Moscow TRUD in Russian 2 Mar 93
Evening Edition p 1

[Article by Olga Korabelnikova: "Do the Authorities and Politicians Have Enough Sense? Boris Yeltsin Spoke at a Civic Union Forum"]

[Text] The bloc of political and social forces of the Civic Union held its second congress last Sunday. After

speaking here, the president called his participation in it the beginning of a series of consultations with political parties and movements.

Assessing today's situation in the country as a crisis of authority, the president said: "It is necessary to choose: Either we are returning to the absolute power of the soviets or we are heading for a normal division of powers that is recognized throughout the world."

The president recalled that a compromise was found at the Seventh Congress of People's Deputies—a joint agreement was approved. But this document is being subjected to attacks, first and foremost from parliament. B. Yeltsin believes that the Supreme Soviet has chosen outright repudiation of the division of powers, and "is pretending that nothing is happening—naively." In the president's opinion, parliament has assumed great executive functions. "In fact, along with the constitutional government of Russia, another one is operating—under the aegis of the Supreme Soviet," he declared.

Not considering the situation hopeless, B. Yeltsin defined today's crisis as the "peak of strain before recovery." He called on all political forces to come to an agreement, noting that the main task is not to permit the outbreak of a counterrevolution in the country.

The president sees the future of Russia in an effective and balanced federation. If this is rejected, he said, we will have either dictatorship or anarchy. As a version of pulling out of the crisis, he called for the Supreme Soviet's adoption of a law on authority before the new Constitution goes into effect.

In the economic part of his speech, the president emphasized that he supports the government and trusts its chief—V. Chernomyrdin. He noted that the Supreme Soviet should "take a step back" and give the government an opportunity to work normally. For this purpose, as B. Yeltsin reported, he also transmitted his draft agreement to parliament and proposed to the Civic Union, the Democratic Choice, and other political forces that they take part in the work on it.

With respect to the referendum, the president did not change his position: "When there is not enough sense among the authorities and politicians, the citizens should have their say." He noted that the formulations are already ready, but he is awaiting the official version of the Supreme Soviet...

In announcing their forum, the leaders of the Civic Union said that the political bloc in this assembly will determine decisively their attitude toward the April referendum and the general reference points in the impending election campaign. In a certain measure these reference points can be judged by the speech of the vice president at the forum. A. Rutskoy supported the president's proposal to establish a Soviet of the Federation and to adopt a law on authority on the basis of the Constitution in effect. As for the referendum, the vice

president believes that it is not necessary, inasmuch as it does not serve to strengthen stability in society.

A. Rutskoy set forth the Civic Union's concept for getting out of the crisis, noting that it is a question not of an adjustment of reforms but of a change in policy. He believes that there is a need "to strengthen state regulation of the national economy."

The forum did not adopt any general resolutions, and it did not designate joint paths.

Perhaps, for the better?...

Poltoranin Said To Plan Media Assault on Soviets
934E0207A Moscow *RABOCHAYA TRIBUNA* in Russian
2 Mar 93 pp 1, 2

[Article by Aleksandr Degtyarev: "The Conspiracy Against the Constitutional Authorities Has Entered the Phase of Practical Realization"]

[Text] Instructions have been distributed to the players:

Bring down the soviets in the center and locally!

RABOCHAYA TRIBUNA is in possession of a xerox copy of a document which, according to our information, came from deep inside Poltoranin's "Ministry of Truth." We publish certain "directives" from it.

How Is This To Be Done?

Creating a Writers Union from members of the government

Constant appearances on television and particularly in the popular press by the leadership of the government and its members. It is essential to understand that defense of the government by journalists, observers, and scholars is insufficient—members of the government must create for themselves a literary name and personal influence. Only in this case will the government, as a body of individuals, be stable.

And from the local press, one that is unrestrainedly free

Direct conflicts and charges should be avoided in every possible way in semiofficial publications in criticism of the Supreme Soviet and the soviets as a form of government....

Specific criticism of the soviets and their leadership should come from independent sources. Particular attention should be paid here to the local press. The government should give the local press, which is today far more influential and important for a referendum than the central newspapers or television, the utmost support. The central organs of mass information set the tone, the local organs of mass information should appeal to the central executive for the establishment, finally, of order in the country, and the executive should respond to this appeal from the localities.

Paralyzing the Supreme Soviet:

The government should publicly indicate the composition and content of the bills forwarded via the president and proposed by him. The Supreme Soviet should be inundated with these bills, with which it would not be able to cope. And then by April the question of its competence and capability could be raised directly.

Some advice to the dim-witted V. Chernomyrdin government:

The government should display its concern for the immediate needs of the civilian population, and the administration, essentially, should assume the functions of deputies of the soviets, which they are incapable of performing.

It is necessary to create the firm opinion that the government is engaged not in politics but in state activity, that it preserves the continuity of power, and that it unites the country, and does not divide it, like the soviets.

Continuing to win over the intelligentsia:

It is very important in this connection attracting to our side the top and middle (?) intelligentsia, which has an interest in the country's unity, social stability, and stable government and is always disposed to support the executive.

But if victory is not for the Poltoraninites:

The government and the president will have to seek the convening of a constituent assembly, which is extremely dangerous. It is necessary in the assumption of such a possibility to perform very attentive work with the leadership of the administrations and the heads of the so-called subjects of the Federation, linking them one by one with privileges and furnishing them with hard-working personnel, and it is necessary also to make the local authorities greatly dependent on the mass media....

Openly recruiting deputies:

In the event of the populace refusing to take part in a referendum, the executive would have to assume the fullness of responsibility for implementation of the reform and its consequences.

Anticipating such a possibility, it is necessary to pay particular attention to work in the corps of deputies, forming progovernment factions, and attracting a sizable body of the corps of deputies by real opportunities for participation in government and extrication of the country from the crisis.

The remarkable document was distributed at a meeting of leaders of press offices of the heads of administration of Siberia and the Far East which was conducted in Omsk by M. Poltoranin! Although modestly titled—"Information Measures in Connection With the Referendum and the Eighth Congress of People's Deputies of the Russian Federation"—it represents a program document which sets tasks not only for the central and local

mass media but also for the government and the president himself.... The main purpose and burden of the document is struggle against the soviets of all levels and their consistent discreditation and subsequent ouster.

Various methods are proposed. Such as, for example: inundating the Supreme Soviet with draft laws in such a quantity that it choke. And "dismissing" it as being unable to cope.

An extremely interesting role is assigned the local press. Read and ponder: "The local organs of mass information," the author instructs, "should appeal to the central executive for the establishment, finally, of order in the country, and the executive should respond to this appeal from the localities." What the author means by "establishment of order" follows clearly from the documents—it is aimed, as has been said, against the soviets. The author sees their position as unambiguously destructive: "The actions of the leadership of the Supreme Soviet and the corps of deputies of all levels in the next three months will be geared to the retention of personal power, the destabilization of society, and the disintegration of the state." For this reason the appeal for the "establishment of order" is translated into Russian as "break up the soviets." In addition, unable to wait for this cherished moment, it is proposed that the executive start to substitute for the soviets without more ado. "The government should display its concern for the immediate needs of the civilian population, and the administration should, essentially, assume the functions of deputies of the soviets."

There is in this formulation of the question a subject not only for journalistic inquiry. In a democratic society such a system of goals would be classed as a call for the overthrow of the existing social system.

This entire immense work must, the authors intend, be carefully concealed. "It is necessary to create the firm opinion that the government is engaged not in politics but state activity...." Engaging, having set all else aside, "in the creation of a firm opinion"—this is the overriding task of the moment scheduled in the document by month. "At the start of the campaign," the authors of the instructions teach, "up to the end of January approximately it is necessary to publicly formulate the government's main arguments.... February and March should be devoted to the comprehensive presentation on television and in the popular press of the main ideas of the executive." A Poltoranin university of the millions!

A total misunderstanding of the current situation in the country is encountered in virtually every paragraph of this document. Flirting with the electorate, for example, it proposes the "definition of Russian society as postindustrial, competent, law-based, open, and dynamic, with an explanation of these notions." But if we are in fact a postindustrial, law-based, open, and, in addition, competent country, why do we need some reforms and,

together with them, the services of a government of apologies for reformers also?

True, Russian society could only be considered such, as one old story goes, by a visitor to Russia from outer space. How can there be any question of "postindustrialness" in a period of economic collapse? How can we speak of a "law-based" state while simultaneously maintaining that there is a constitutional crisis in the republic? And as for what a "competent" society is, no one will explain to us, there being no such thing.

The cynicism forcing its way through in the document, in spite of the author's wishes, is amazing also. "It is necessary to perform very attentive work with the leadership of the administration and the heads of the so-called subjects of the Federation, linking them one by one with privileges and furnishing them with hard-working personnel...." This procedure is borrowed directly by the worthy students from the political arsenal of the "father of the peoples." And why wonder, for that matter—the similarity in the actions of the president's closest advisers with infamous historical models is already an everyday topic of our current-affairs writing.

Nor can I fail to dwell on clause 2 of this document. It sorrowfully affirms, first, that the "defense of the government by journalists, observers, and scholars is insufficient." And for this reason "members of the government should create for themselves a literary name and 'personal influence.'" Well, simply astonishing. Work has finally been found for our ministers also—creating a literary name for themselves! We await the works. I believe that the public, devoured by hyperinflation, would greet with interest the romantic poem "Your Turn, Mr. Voucher" by A. Chubays, "My Universities" by Ye. Gaydar (not to be confused with A. Gaydar's "School") and V. Shumeyko's brochure "How We Should Organize a Referendum." As far as M. Poltoranin himself is concerned, he acquired for himself a literary name long since, for which he was awarded the honorific of "Kunayev's nightingale." And he has of late acquired for himself a television name also, tormenting with rare confused articulation not only Russia but the CIS as a whole also.

On what social force, one wonders, does the author of this political program formulating so freely the tasks for the highest echelons of power rely? On none, it seems. He himself indirectly admits this: "The outcome of the referendum will be unsuccessful unless the government creates for itself a strong opposition in the form of forces of right and left united with centrists supporting the Union." This seems to the author a realistic prospect because he speaks about this also. Besides, such a situation already exists! It was confirmed as clearly as could be by the Civic Union forum held last Sunday, and the president of Russia, who was in attendance, saw this full well for himself. I hope.

But then a legitimate question arises. If neither the left nor the right nor the center support the government, on what grounds will this "body of individuals" govern us?

Yes, the circle of these "reformers" is exceedingly small.

They are fearfully far from the people.

But their cause is not done for as yet. Thus far it is the Russian people, whose numbers in 1992 declined, despite the streams of refugees from our immediate surroundings, who are done for.

Press Minister on FIC, Subsidies

934F0195A Moscow GOLOS in Russian No 6, 8 Feb 93 p 5

[Interview with Mikhail Fedotov, minister of the press and mass information, by GOLOS commentator Yuriy Kurbatov; place and date not given: "The Ministry of the Press and Mass Information Is Ready To Develop a Survival Program for the Press, but Is Waiting for Reciprocal Steps From Editorial Staffs"]

[Text] *The appointment of Law Professor Mikhail Fedotov to the post of the minister of the press and mass information did not impress anyone in the writers and film community as strange. He replaced his former boss Mikhail Poltoranin, moved by the president to the Federal Information Center, seemingly naturally and effortlessly. Our commentator Yuriy Kurbatov met with Mikhail Fedotov and asked him to answer questions of interest to our readers.*

[Kurbatov] I think you will agree, Mikhail Aleksandrovich, that difficult times have arrived for the mass media—which means also for you. What I am referring to is not only the market, whose charms the journalists were among the first to experience first hand; there is also something else. The press, as well as radio and television, have found themselves drawn into an intense political battle... Is it difficult to be minister of the press today?

[Fedotov] I would divide this question into two parts. With respect to politics, it is quite obvious that the press cannot be neutral. It must, however, be objective and honest and guided first and foremost by common sense rather than momentary political interests. All of us must feel, first and foremost, personal responsibility for the fate of Russia.

The second part of the question I would call economic. Here we have problems up to our ears. Our ministry's jurisdiction now includes not only the mass media but also publishing and printing houses. In short, we have our own industry. In this respect, the most acute current issues are conversion to joint-stock operations and privatization. We are currently working on a sectoral privatization program. The problems associated with material and technical supply of publishing houses remain acute. Of course, it is difficult. But who has it easy these days?

[Kurbatov] A month has passed since the creation of the FIC [Federal Information Center]. Despite Mikhail Poltoranin's numerous explanations, however, it is not clear who will be in charge of what.

[Fedotov] I think we should not overly complicate the situation. Poltoranin's FIC is a center for coordination and analysis; its main task is creation and analysis of information. We, on the other hand, are a state administration organ. Our primary task is to see that everyone without exception—including the FIC—complies with the law on the mass media. In this respect we will be extremely tough.

Right now we see that the law on the mass media is frequently shirked. There are some who have an urge to make "corrections" to it. If the Supreme Soviet attempts to do so, however, it may cause serious social tension. We cannot permit this document—in which, in my opinion, a balance, albeit fragile, has been achieved—to become again a subject of lawmaking activities.

[Kurbatov] Nevertheless, such is the inclination of the Supreme Soviet. In particular, in my opinion, this was the main reason the subject of the FIC was brought up at the current session of the parliament. It has already been included on the agenda twice, but they did not get around to it. Where do you think all this will end?

[Fedotov] It is rather difficult to predict our parliament's decisions. Unfortunately, quite often the decisive factor there is emotion rather than common sense. I personally do not see any legal objections to the creation of the FIC. I want to repeat once again: It is an organization for coordination and analysis, not a state organ. Therefore, its creation was not contrary to the law on the mass media. If signs of violation of the law develop, or attempts to subjugate the mass media, the ministry will have to take appropriate steps.

[Kurbatov] Mikhail Aleksandrovich, the parliament's speaker recently mentioned, somewhat in passing, that allegedly a closer look is needed as to which publications deserve financial support in the future. Keeping in mind the great "love" Ruslan Imranovich has, first and foremost, for the independent press, this remark has caused serious consternation on many editorial boards. It is clear now that without state assistance most publications will not survive.

[Fedotov] I can tell with all certainty that the state will continue subsidies this year. The ministry, together with the Mass Media Committee and the Budget, Plans, Taxes, and Prices Commission of the Supreme Soviet, is currently working on changes to the system of subsidies. In the first half of the year it will remain the same as last year. Although with some changes aimed at eliminating all kinds of favoritism.

[Kurbatov] What will serve as the criterion?

[Fedotov] There will be a whole system of criteria, including circulation and subscriptions. According to

these criteria we will divide all publications into several categories. Size of subsidy will be determined according to category.

[Kurbatov] Will this document have to be approved by the Supreme Soviet?

[Fedotov] I think we will not be submitting it to the Supreme Soviet, limiting ourselves to discussions in committees and commissions. After all, this is a provisional statute, designed for half a year.

For the future, if we manage to accomplish it, we have a very interesting idea: We want to develop a system of subsidies based on completely different principles. In practice it will look this way: The ministry offers a publication money—not in general but against a certain program for survival. We develop it together. If you agree with it, you get the subsidy. But in three months kindly report what the money has been spent on.

Do not confuse this with credit. This is nonrepayable money, but we must know where it goes. When I explained this system to the deputies, they remarked that it closely resembles the IMF terms. To which I replied that apparently the IMF people are not stupid.

[Kurbatov] How soon will we see this program?

[Fedotov] We are about to complete it. It will be much more difficult to work out a survival program with each individual publication. Frankly, at this point I do not even have the staff to do this. But first and foremost we need the Supreme Soviet to approve the 1993 budget.

[Kurbatov] What motives will be taken into account in allocating the means?

[Fedotov] Anything but political. Unfortunately, we currently encounter situations in which people try to cheat us. They come to us begging, for instance, and then we learn that there have been terrible abuses, millions have been wasted or pocketed. We have no intention of subsidizing the mafia. Or another example: Some publications are sponsored or maintained by various foreign companies or our domestic millionaires. They are free to continue doing this, but without our help.

We have other programs as well. In particular, one is related to the recently adopted Law on Copyright and Associated Rights. But this is a special topic.

[Kurbatov] I can see, Mikhail Aleksandrovich, that there are quite a few ideas...

[Fedotov] I understand the hidden meaning of your remark. I want to emphasize that, figuratively speaking, we are still at the beginning of the beginning. We would like to ensure that journalists feel at home in the ministry. That they would come here and get all the information of interest to them. Right now, for instance, we are setting up an information support administration, which will be headed by an experienced journalist from APN.

[Kurbatov] So what will it be: an APN, a TASS, or something else?

[Fedotov] None of the above. It will be a system of providing information to journalists, primarily about the work of state organs. For instance, who is in charge of what, and how to find them. I think it will come in the form of bulletins printed on a laser printer. Then it is up to you whether you use these materials or not.

And lastly. We consider GOLOS our newspaper. Not by affiliation or subordination but by purely professional principle, in spirit and in content. Therefore, the ministry stands ready to work out an entire program of mutual cooperation with GOLOS. We can probably even put in on a contract basis.

Agency To Attack Tax Dodgers

934F0147A St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 9 Feb 93 p 2

[St. Petersburg and Leningrad Oblast Tax Investigation Administration Chiefs G.S. Poltavchenko and A.A. Nefedov interviewed by Yu. Murashko: "New Special Service Issues Warning: It's No Use Trying To Evade Taxes"]

[Text] Tax investigation administrations were set up under the St. Petersburg and oblast State Taxation Inspectorates in late October. These structures, which are new for not only the region but also the country, are called upon to cooperate with law-enforcement agencies in combating unscrupulous businessmen, to identify tax evaders, to protect tax inspectorate employees against criminal encroachments in the course of performing their official duties, and to guard the tax inspectorate against infiltration by organized criminal groups.

Now that the new structures' mechanism of operation has been more or less worked out, G. S. Poltavchenko, chief of the tax investigation administration of the St. Petersburg State Taxation Inspectorate, and A.A. Nefedov, chief of the tax investigation administration of the Leningrad Oblast State Taxation Inspectorate, told our correspondent Yu. Murashko about the problems that their services have encountered and about the initial results of their work.

But first a few words about the new administration chiefs themselves.

Georgiy Sergeyevich Poltavchenko has served as an officer in state security agencies. He began working there in 1979. He served in a unit charged with combating air piracy and held a number of other posts. From 1988 to 1992 he served as chief of the Vyborg City Department of the Russian Ministry of Security Administration. In 1990 he became a deputy to the Leningrad Oblast Soviet.

Aleksandr Aleksandrovich Nefedov has devoted much of his life to the Ministry of Internal Affairs. Since 1969, he has served as a criminal investigation inspector, chief

of the Kalinin Rayon Internal Affairs Administration, and in other capacities. For the past two years he was deputy chief for rear services of the Chief Administration of Internal Affairs of St. Petersburg and the oblast. In 1990 he was elected a deputy to the St. Petersburg City Soviet.

[Murashko] What prompted you to change jobs?

[Poltavchenko] The post of tax investigation administration chief was offered to me rather unexpectedly. Working to set up a new special service is interesting for any professional. I consider myself a professional, and so I immediately accepted. Maybe I've been lucky in life, but both in the security agencies and here, there hasn't been a day when I haven't wanted to go to work. I consider this the most important thing.

[Nefedov] I fully agree with Georgiy Sergeyevich.

[Murashko] Is the work of the tax investigation administration similar to that of the police and security agencies?

[Poltavchenko] The types and methods of work in all special services are similar. This follows from their common tasks: using specialized methods, including secret sources and special equipment, to obtain information about illegal activities by citizens or various structures, and then to put that information to use—i.e., to stop the lawbreaking.

[Nefedov] Proceeding from this, the tax investigation administrations are staffed with professionals—officers of the Russian Ministry of Security, the Ministry of Internal Affairs and military personnel. You could say that we began operating from scratch. Specialists believe that Russia was already five or six years late in creating such a service and that the payment of enormous sums of money in taxes has been evaded. Familiar with the work methods of special services, we began producing a real return from virtually our very first day, recovering money that belongs to the state.

[Poltavchenko] We should emphasize once more—money that belongs to the state. These are funds that businessmen owe the state in exchange for the state's having made it possible to earn this money. Profits belong to an enterprise, but it is obliged to pay taxes on those profits. I don't want to intimidate anybody, but there's no use trying to evade taxes now.

Incidentally, Article 162.2 of the Russian Criminal Code provides for punishment of tax law violators—up to and including imprisonment.

[Nefedov] Our services are unique in that they are the only ones in the country charged with a single task—to obtain as much money for the budget as possible. Then this money can be used for public health, education, and so on. In other words, for the good of all taxpayers.

[Murashko] What are the initial results of the tax investigation administrations' work? How much money concealed from taxation has been contributed to the budget with the help of the administrations' officers?

[Poltavchenko] Last year, in the course of joint inspections at enterprises, officers of the St. Petersburg Tax Investigation Administration and tax inspectors obtained more than 19 million rubles in additional budget revenues. Efforts to recover for the state nearly 20 million rubles in unpaid taxes are nearing completion.

In particular, we have audited the operations of several dozen various commercial enterprises that operate stores. The most widespread legal offense here is keeping unreported goods—from beer to automotive spare parts. We are finding whole piles of goods worth an average of 1 million to 1.5 million rubles.

I would like to mention "hard currency projects" in particular. Recently, in conjunction with the taxation inspectorate, we imposed fines of \$2.5 million on several joint ventures. I don't want to identify them as yet, since the work isn't finished. Nor would I like to talk about some more sophisticated methods of concealing income. You yourself understand: Some other businessman could read about them in the newspaper and use them too. Most businessmen are a shrewd lot when it comes to such things.

[Nefedov] Our successes are somewhat more modest than those of our colleagues, mainly on account of the fact that we are terribly understaffed. I understand the staffing problems of the Ministry of Security administration and the Chief Administration of Internal Affairs, but we need people too. Unless we complete the formation process as soon as possible, there won't be any return. Racketeers have already been performing state functions for several years, "expropriating surplus income" from businessmen. Swindlers have been doing everything in their power to conceal income for several years. And they have often succeeded. The tax investigation administration called upon to change this state of affairs in Leningrad Oblast is currently staffed at a rate of just seven percent.

But we're trying to go to work even while understaffed. For example, audits of enterprises in Tikhvinskiy Rayon resulted in the recovery of 14.644 million rubles, and in Podporozhskiy Rayon—16.933 million rubles.

[Poltavchenko] We too suffer from understaffing, but our situation is still a little better than that of our oblast colleagues. Owing to our personnel shortage, state enterprises and large commercial firms still remain "aloof" from our work, for the time being. But I don't think we're going to find a lot of legal offenses at state enterprises—you yourself know that they don't even have enough money to pay wages. Where commercial banks and other such structures are concerned, we simply have to believe, for the time being, that these respectable firms are not defrauding the state. Concealed money will be found all

the same, and then the loss of their good name will cost these firms far more than the money "saved" on taxes.

[Murashko] What about street vending, which is totally unsupervised. Does it too remain "out of the picture" for the present?

[Poltavchenko] Unannounced raids on all manner of kiosks and people who used to be called street speculators have been carried out, are being carried out, and will be carried out. We mount the raids in conjunction with tax inspectors, internal affairs officers, and representatives of rayon administrations. If the mountain won't come to Mohammed, Mohammed must go to the mountain: Relevant documents allow us to collect vending fees and taxes right on the spot. I am an optimist by nature, but I still can't believe that even after several raids, these vendors are going to come looking for the tax inspector on their own. For this reason, areas where vending stalls are concentrated have become an object of heightened attention for us.

[Nefedov] I admit that we haven't been doing this kind of work as yet. In a certain sense, this results from the specific nature of street vending in the oblast. It is especially developed along the Priozersk, Murmansk, and Tallinn highways and along the roads leading to Vyborg. Wheeler-dealers and sellers of alcoholic beverages are guarded by young toughs with big muscles, who are often armed, according to our information. A tax inspector can't go to such places without risking his life.

But these vendors will have to obey the law very soon. The formation of a special unit to physically protect tax inspectors on the road is being completed. Then no young toughs are going to be able to help these wheeler-dealers.

[Murashko] Just how life threatening is the work of tax inspectors and officials of the tax investigation inspectorate? I assume that the potential spread of corruption to the tax service is a related question. How urgent is this problem?

[Nefedov] Threats against inspectors are rather frequent. Criminal charges were recently filed in Slatsevskiy Rayon in connection with such an incident. As the suspect was being arrested, he used a gas pistol.

An investigation is under way in Lomonosovskiy Rayon, where someone threatened to burn a tax inspector's car.

In order to investigate, in conjunction with the police and the security ministry administration, threats or attacks on inspectors, we are setting up our own security service. In addition, it does work with our own personnel. For example, it checks out the pasts of people applying for work in the tax inspectorate. No one with a "criminal" blemish in his background will be hired.

[Poltavchenko] Tax inspectors have been attacked in St. Petersburg. But I can't say as yet that the attacks had to do with their official duties. But threats, as Aleksandr Aleksandrovich noted, are very frequent. Officials of the tax investigation administration have also received

them. We investigate every one in conjunction with the police and the security ministry administration.

If there are doubts as to the safety of a tax inspector when he goes out to some location, several of our officers escort him.

As for corruption, I have to say, unfortunately, that no one is insured against this until the state can provide for its employees in such a way that they would never even think of such a thing.

[Murashko] What is the main difference between your agencies and the work of the tax inspectorate? Protecting inspectors is undoubtedly useful, but doesn't the tax investigation administration duplicate the work of the tax service?

[Poltavchenko] The taxation inspectorate has two main responsibilities—conducting systematic and selective audits of enterprises. As people say in the agencies, if you find something, you're lucky, if you don't, that's bad. Of course, if a tax inspector sees that there are no violations and that an office is operating honestly, that's wonderful.

The tax investigation administration lays the groundwork for these audits. We go only to places where we have information that the law is being violated. And there has never been an instance in which we have gone somewhere unnecessarily.

The Russian law "On Operational Investigative Activities," to which our organization, unlike the taxation inspectorate, is subject, sets forth the sources from which we may obtain information—official and secret contacts, and allows us to pay for information of interest to us and to use special equipment. Work with people who voluntarily help us obtain information and the use of special equipment are already yielding results.

At present, in conjunction with our oblast colleagues, we are studying information obtained about alarming bankruptcies and subsequent reregistrations of a number of enterprises that have solicited funds from citizens, supposedly to be repaid with interest, and vouchers and then failed to repay these funds.

[Murashko] Many St. Petersburg residents have asked the newspaper just how legal the operations of such enterprises are and how great is the risk of losing one's money and vouchers as a result. As specialists, I'd like to put this question to you.

[Poltavchenko] As a rule, the charters of these organizations do not explicitly say that they pay interest on the money and vouchers they take. Consequently, they don't pay taxes on this type of activity and defraud the state. And if they are defrauding the state, they are defrauding their clients too. Every person who has decided to shelter his money from inflation by means of such enterprises or to invest his voucher in them should prepare himself for the possibility of losing both his money and voucher. I should point out that such organizations are often run by

unscrupulous people, as a rule. And so I personally am keeping my voucher in my pocket for the time being.

[Murashko] Have there been instances in which, as a result of various ploys by businessmen, your work has come to naught? In other words, have there been enterprises that, in order to avoid paying taxes and fines, have withdrawn funds from their accounts and closed down, in order to later reemerge under a new name?

[Nefedov] All the inspections in which we and, as Georgiy Sergeyevich observed, the city tax investigation administration have been involved have yielded results. Businessmen have never been able to evade us or to appeal a single ruling we have made.

Moreover, the Russian law "On Bankruptcy" will take effect in March. It provides for selling off the property of an enterprise that is unable to repay its debts. And money can't be hidden without a trace, you simply have to look for it very hard.

We are also awaiting the adoption of the law "On the Tax Police," which will substantially strengthen our legal foundation. In the meantime we have been operating on the basis of the temporary statute "On Tax Investigation Divisions."

[Murashko] In view of what you have said, when will the tax investigation administrations be able to counter any violation of tax legislation by any type of enterprise?

[Poltavchenko] By summer, I think. Especially considering that not only the taxation inspectorate, but also government bodies have a stake in our services. The St. Petersburg Municipal Administration has allotted us the building at 2 Sovetskaya, and I understand that the oblast administration has also promptly resolved the question of providing office space to our colleagues. Our requests for purchases of special equipment and motor vehicles are not being denied.

So I would like to warn businessmen once more: It's no use trying to evade paying taxes. In the end it will cost you more.

Law on Amendments to Criminal Code

935D0280B Moscow ROSSIYSKAYA GAZETA in Russian
4 Mar 93 p 6

["Law of the Russian Federation 'On Amendments and Additions to the Russian Soviet Federated Socialist Republic Criminal Code'"]

[Text]

Article 1. To make the following changes and additions to the Criminal Code of the RSFSR (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1960, No. 40, item 591; 1977, No. 12, item 255; and 1987, No. 30, item 1087):

1. Delete the note from Article 126¹.

2. To make Article 188 read as follows:

"Article 188. Escape From Place of Detention, Initial Detention, or Custody.

"Escape from places of detention, except for colony-settlements, or from custody by a person serving a sentence or held in initial detention—shall be punishable by deprivation of freedom for a period of up to five years.

"If committed:

"a) a second time;

"b) in accordance with a conspiracy hatched in advance by a group of persons;

"c) with the possession or use of firearms;

"d) with the use of violence or by a method that creates a threat to the life or health of other persons;

"e) involving damage to engineering or technical facilities of the security service or by means of tunneling;

"shall be punishable by deprivation of freedom for a period of five to eight years."

3. In Article 188¹:

In the first paragraph after the words "from places of detention" the words "and likewise a prisoner serving a sentence in a colony-settlement" shall be changed:

in paragraph two, the words "one year" shall be replaced with the words "two years."

Article 2. To bring this law into force from the date of its publication.

[Signed] B. Yeltsin, president of the Russian Federation
Moscow
House of Soviets of Russia
18 February 1993
No. 4512-1

Gleb Yakunin on Church, KGB Collaboration

934F0198A St Petersburg NEVSKOYE VREMYA
in Russian 23 Jan 93 p 1

[Report on a telephone interview with Father Gleb Yakunin, Russian people's deputy, in Moscow by Adel Kalinichenko, under the "At First Hand" rubric; date not given: "The 'Sacred Duty' of a Soviet Priest"]

[Text] [Kalinichenko] Father Gleb, I remember that an attempt was made in November of 1992 to start legal proceedings religion department against you and people's deputy Ponomarev for the disclosure of the identities of KGB agents among the top officials in the Russian Orthodox Church. What was the outcome of this incident?

[Yakunin] Stepankov, on behalf of the Russian Procuracy, refused the Ministry of Security in starting the

criminal suit. It is quite obvious that all of the actions of the KGB Fifth Inspectorate, and of its fourth department (religion), were anticonstitutional, and they were already banned under Bakatin. But this hydra could start to come back to life again. Our law stipulates that any recruitment of priests, together with people's deputies, judges, lawyers, and procurators, is prohibited, and this goes for security organs also; but I am not at all convinced that the law will be observed. When the enforcement structures are not under any control, they can be greatly tempted to use the clergy for their purposes.

[Kalinichenko] Still, how has it become possible to reject the suit against you from the security ministry?

[Yakunin] A security ministry official said at one of their briefings that we had been looking for materials compromising us in the archives in order to destroy them. We filed a countersuit in the Kalininskiy court. The names of agents made public by us are an internal agency secret and not a government secret. If KGB agents still continue to head our churches, it discredits the Church. I do not mean Russian Orthodoxy only, I also mean the Moslem, Buddhist, Judaic, and other denominations.

The process of opening the security service archives is going full speed ahead now in the Baltics, in Poland, in Bulgaria, and in other countries. After the involvement of priests with this agency is established, the priests will have to leave. But in our country, the top Church administration officials do not even express their attitude toward this event. On the contrary, those who uncover the alliance between the KGB and the Church are the people who get denounced.

ECONOMIC AND SOCIAL AFFAIRS

Chernomyrdin Details Economic Priorities

934E0224A Moscow RABOCHAYA TRIBUNA in Russian
5 Mar 93 pp 3, 4

[Taped account of V. Chernomyrdin comments during meeting with trade union leaders prepared by Viktor Ukolov: "Russia Has One Chance—For Everyone To Work"]

[Text] The meeting between Viktor Chernomyrdin, head of the Government of the Russian Federation, and the leaders of trade unions that are members of the Federation of Independent Trade Unions of Russia, which RABOCHAYA TRIBUNA has reported, has evoked comment in society and in the press. We are receiving requests from trade union committees to describe this event in more detail. Particularly the positions occupied by the renewed Cabinet of Ministers.

Yes, the chairman of the Council of Ministers came to the union headquarters together with leading ministers, and a comprehensive, specific discussion was held. It was the first time of late, probably, that the voice of representatives of the working people had been heard and apprehended.

Viktor Stepanovich shared with the union leaders his thoughts on how the government intended extricating the national economy from the profound crisis.

So, What Was Discussed?

Concerning, specifically, exports of the times of Peter I. When I got here, I thought, well, now, we will get into a fight to the death here. Chernomyrdin will start to show that this needs to be done, the trade unions, that it should not. And now I have seen for myself that we are disturbed by identical problems. First and foremost, the decline in production.

It did not begin yesterday. We clearly began to "go lame" as of the mid-1980's, more precisely, around 1989, when we began to blaze with perestroika and then realized: we do not know what to restructure, how to restructure, or on the strength of what to restructure. And it was here that the pulling began—do you remember—beginning with the cooperative movement and the creation of leased enterprises, the correlation of the rate of growth of productivity and the growth of wages was regulated. The Law on Enterprises added even more fuss: executives came to be replaced in a burst—one after another. I was there through all these alterations and I worried and trembled.

And then in 1992, I want to emphasize, the economic reform finally began in earnest. This was a fundamental decision of the president's inasmuch as there was no other move open to us.

Many people will remember that the Soviet economy had always somehow moved in spurts, going back to prewar times. And after the war—"The economy must be economical!" And every year something or other was thought up, but we were unable to provide a base for stable growth.

When these spurts ended, we would all quietly begin to slide back and stop at the edge. Finished goods became wholly uncompetitive. We descended in foreign economic activity, if we look closely, to the level of the times of Peter I. Of the commodities for sale—timber, hemp—what were we still selling? Honey. We have now added oil and gas. Peter did not, after all, know how to extract them or what to make from them.

Russians' troubles and our poverty are not because we are unskilled but because the system was such—it prevented us reaching a higher level. Everyone take a look at his suit: Where was it made? With you, in Ryazan or Omsk, most likely? We have converted top-grade cotton into I don't know what. And so with any product, other than that of the defense industry.

That is were the system was perfected! The major mistake of all Soviet governments since Stalin's times was that we isolated the defense sectors and fenced them off by a high wall from the people, from the requirements of civilian products. Even at meetings of the Council of Ministers Presidium civilians would sit on one side,

they—the defense people—on the other. And I never once heard a defense industry minister approach the podium and complain: The State Committee for Material and Technical Supply is not providing us with this or that or that someone was not resolving something or other.

Today, on the other hand, they are in the most difficult situation for they have proven to be unadapted to "normal," by Soviet standards, life. And this sector has been dealt a major blow also.

I am saying all this to indicate that economic reforms and the transfer of the national economy to market conditions have become an objective necessity. We might have started sooner. We were unable, did not know how. As a result we made a mess of the Union and obtained the Russia that we have now.

So where are we today? The level of production has fallen 20-26 percent, society's living standard has declined 30 percent. That is, we have reached figures which are unprecedented in Russia.

A reservation should be made, however. When we record the decline in production, these figures are at the expense of the defense sectors, in the main. The civilian sectors are reducing the manufacture of finished goods 5-7-8-12 percent, and some have almost held their ground. In the fuel complex, the oilmen and coal miners, for example.

Yes, society's living standard has fallen steeply, unfortunately. We are already at the critical mark. The task today is to stick to the policy of reforms under all circumstances, not to do so would be lethal, but nor can we continue to sink into the mire. What is to be done?

Captains of a Short Voyage

First and foremost, probably, take account of the mistakes. We have restructured the economy only at the macro-level and have gotten away from the micro-level. We failed to find a prudent combination of "macro" and "micro." We relaxed control of the state sector, but with us it means 100 percent of industry. Any state has to have control. We will never put anything, together without knowing how to control.

I was recently at a roundtable with the speaker of the house of Romania. The question "Europe 2000" was being discussed. He was saying that everyone had abandoned Romania, that no one would help. The Eastern bloc had broken down, West Europe had turned its back.... He was asked: What have you yourselves done? He said that last year (1991) all agriculture and all the land had been made private. And in terms of the results of 1992 they have found themselves in the 19th century. He was asked: Why? He explained: Everyone here acquired 2 hectares of land, and no one, having acquired these 2 hectares, knew what to do with them: There are no tractors (they have the K-700, the same as us), no fertilizer, no knowledge.

I think to myself: Where would we be if we had done likewise? In the 18th century, most likely. Because we also have the K-700, the Don, in addition. Nothing can be done with a spade and rakes.

I was at a farmers' congress recently and I listened. I understand their pain and the endeavor to create a class of farmers and transfer the land to them. Yes, it needs to be given over in places, perhaps, but we first need to create the conditions. So that our industry might first provide a mini-tractor, simply a tractor, and fertilizer, in packaging, what is more—not in tonnes but kilos.

And we had no sooner created 200,000 private farms before 70,000 fell apart. They fell apart, okay, but how much land was taken out of circulation, how much was not plowed up last year for the harvest—how are we to disentangle this mess? We did not take account nor are we now taking account of the singularities of our country, the particular features of the regions, and the location of the production forces in the country. Industry took shape not for man or the region but for the accomplishment of some strategic tasks of the Soviet Union. An ore base was created in Kazakhstan, but the treatment is done in the Urals. Metal, in the Urals, but pipes, in Ukraine, and consumption of the pipes, in Russia. Everything was tied together. Now this has been chopped off, and this....

Concerning the Fact That the Power of the Land Is Deadly

Account needs to be taken of the character of the man of Russia also. I may remind you: people in Rus (our parents even encompassed those times) killed over the boundary strip, for a meter of land. I am from the country, I know what things were like. If at night the fence was shifted a meter further to one side, the next day there would be three corpses.

The German does not do this. He unfailingly writes someone or other, it is unfailingly investigated, and people come and put things right. Our person is simpler, he sorts it out himself. Has anyone in the authorities given any thought to this?

And why has the ruble depreciated? Last year in the final quarter 6 trillion rubles [R] were thrown onto the market. And in January we were paying approximately R600 to the dollar. We began to analyze. According to our records, somewhere around R1.007 trillion, R2 trillion even, passed via the government. Where is the rest?

Should this experience be repeated? Everything would then go head over heels. Life has taught us a lesson: The state must know whom to support and must determine priorities.

Concerning the Authorities' Priority Tasks

We have determined the main directions, the priorities. There are just five.

First and foremost, the fuel and energy complex.

Second, food. The most fundamental and painful issue. We supported the countryside last year also, by tradition. But ultimately the state did not, despite the big harvest, acquire the grain. We were not given it.

Subsidies have been received, subventions and a partial reduction in the cost of fuel and fertilizer (in respect to particular regions), but we are still not being given the grain. What kind of work is this? Where is the feedback here? The grain is lying there—this is the same deal as vodka.

But what is the state to do? Of the 82 regions with us, approximately 20, at best, can provide themselves with grain, and with great strain, at that. And what are the rest to do—put their teeth on the shelf? In the final years of the Soviet Union Russia failed to feed itself for three months. We lived on food which was purchased for oil and gas and precious metals. Today there is nothing to sell—there is not that much in the way of oil and gas and precious metals. What, then, three months without eating? This is the real picture.

Nonetheless, we will subsidize agriculture, only in a new way. This applies to everyone. We will give, but you set something aside simultaneously, up to and including the mortgaging of your entire assets. There is no other solution.

Everyone must address the subject of food today. I was recently in Tomsk. I saw a large hog-raising complex. But it surrenders the entire meat in live weight. The live weight disappeared, and the meat-packing plant started jacking things up (it has now been privatized), and the money was put up by the owner. What has it done with its product. How is it being sold? There is no meat in the store. It has been distributing it to the restaurants. The monopoly plant has begun to dictate its will to everyone. If you are unwilling to sell the livestock on the cheap, the vehicle is kept standing idle for days—the weight has fallen 15 percent all at once.

I say this to show that unless we create a processing industry for the rural people—for the rayon, state farm, and private farmer—we will get nowhere. Nor would we need as many cows as we have currently if we processed the animal husbandry products in civilized fashion.

Take potatoes. On average the Soviet Union consumed 35 million tonnes of potatoes a year, the Americans, only 23 million. In processed form, understandably. We did not, of course, eat that many potatoes—we simply threw them out and allowed them to rot. There is only one plant in Moscow, the Kolos, which processes them. Yet the defense industry plants could create the necessary equipment perfectly well.

The government's third priority, incidentally, are the conversion sectors. We began to concern ourselves with conversion at the start of perestroika also. Unfortunately, the defense planners and the defense sector did

not understand it, and essentially no conversion has really taken place in Russia.

The task of the conversion sectors is first and foremost to manufacture competitive commodities on the world market. We have to have hard currency, like any country. A most powerful industry, highly equipped, makes weapons of the highest class! And we will ultimately make medical syringes ourselves also! Or will we purchase them, as before?

The fourth direction is basic research. There can be no Russia without research! Each leader, if he is a real leader, if he wishes something for himself and for his country and for his work force, must realize that under any conditions research must be preserved.

And the fifth—the social sphere: housing, health care, culture. We must have specific programs in all the directions.

Concerning the Fact That Temporizing Is a Catastrophe Also

What next? A mechanism of realization of the priority tasks is essential. Their accomplishment will lie on the shoulders primarily of specialists of the said areas. They should make proposals.

For their part, the government and the Central Bank will make every effort to create a viable system of control. We cannot manage without the Supreme Soviet. Necessity commands that the Supreme Soviet and the Central Bank and we, the government, work in harness. Decide together whom to support and who cannot be lost under any conditions.

But what about all the rest? Will we have bankruptcies? Yes, we will. Do we need them? Yes! There will be unemployment, it exists today even—approximately 1 million persons.

You say that we need to support those who, on account of the lack of raw material and power, are not working two or three days of the week. Perhaps we do, but first try to keep them occupied. Why have we allowed workers to take time off and why do we pay them their average wage and yet have given no one any work?!

I saw this in Omsk: We went to an enterprise—neglect. At least shovel up your own dirt. You cannot get around the plant, icicles are hanging from the roof right down to the floor, and the roof is collapsing under the snow.

What is wrong? I, as an industrial manager, can tell you. Unfortunately, many executives do not know how nor do they really want to work. Try to encourage any director today—he starts to justify himself: There are no spades, mittens, special clothing.... So get hold of some! Do we need this hidden unemployment? We need normal unemployment. If we live to see the day when I value my job and am afraid of losing it, we will then have competitive high-quality products, albeit without the Emblem of Quality.

Everyone has retired into himself and is waiting: supposing something happens tomorrow? If we sit and wait like this, there will be catastrophe. We are producing poverty and spreading it to everyone.

Concerning Discipline

Availing myself of this opportunity, I have to make particular mention of discipline. I was at a mine, which had just buried 25 persons, and in the three weeks there were burials all at once at three mines. I have to say honestly that the tragedy occurred on account of a lack of discipline.

No one, incidentally, needs the discipline to which we had become accustomed—of the rod. Real discipline is when a person values his job and is prepared to fight for it. And we must create such conditions for him.

Make use of the laws, no one has revoked them. We will revive the statutes in the coal industry, in the Ministry of Railways, and in gas industry. We will allow no one to tear up, blow up, or destroy state property.

Take the latest airplane hijacking incident. Why did it happen? Because baggage handlers are in command with us of some of the most important airports in Siberia. The airplanes are loaded by passengers without tickets, and there are no inspections. Yet there is a militia and the Ministry of Security and its own security service. And airplanes are hijacked.

Concerning Our Neighbors

The position of elder brother is very onerous for us. We are the losers. They have all little by little raised prices to the world level or have approached the world level. And with many of them we are operating at the level of the prices which have taken shape in Russia. What should be done?

There are two options. The first: fence ourselves off altogether now, switch to another ruble zone, and set world prices on everything. In this case Russia would survive. But the decline would be even deeper. Why? Because no one, other than among our immediate neighbors, would need our products. Even in third countries. It would be the same with them also. We have no foreign currency nor do they.

The second option: working with them on a parity basis. That is, if they raise prices, we will raise them also. We should work in accordance with agreements. We need to create joint ventures, form stock companies, and determine our property. And let them determine their property here also, purchase it, and participate in the formation of stock companies everywhere. But all this on a parity basis! It would be advisable to switch to a common market with our immediate neighbors. That is, not repelling them, but not "lying down beneath them." Lying down is unworthy of us.

Concerning 'Reds,' 'Whites,' and Such

And, finally. We, the government, will cooperate with all who wish to do something serviceable for their people and for our country. With both the right and the left. We need to get down to business, and we will not allow ourselves to be dragged into some political feuds. This would be criminal. We will cooperate with everyone. Even were Papa Gapon to approach with valuable proposals, we would sit down with him (hypothetically speaking).

Is it reasonable that we have assembled the heads of administrations for the first time in 18 months? And they, some of them, were plainly bored. One said that "no one can give anyone a dressing down even."

We will necessarily cooperate with the unions. If there are questions, bring them here. And we will invite them to government meetings. But what I would prefer is that if you have suggestions or you see that we are doing something wrong, say it openly, do not wait.

At the same time it is time to translate all wishes and demands into the plane of specific action, set specific deadlines, and assign specific people, who may be held to account.

In place of an afterword. Igor Klochkov, chairman of the Federation of Independent Trade Unions of Russia, termed the meeting with Viktor Chernomyrdin and other members of the Cabinet of Ministers useful and constructive. For the first time in recent years, perhaps, he declared, we have seen a sincere desire on the part of the government to cooperate with the unions in the solution of socioeconomic problems and to sign a kind of social contract. We heard with satisfaction from the chairman of the Council of Ministers about programs which are being devised designed to alleviate as much as possible for the populace of Russia, its needy strata particularly, the painful process of transition to the market.

At the same time the unions are distinctly aware that a solution of social problems is impossible without an upturn in the economy and the strictest order being brought to bear in each workplace. The leader of the unions expressed the hope that the proposition concerning "the unions' constructive support for the government's actions" expressed in the course of the meeting by Viktor Chernomyrdin testifies to good intentions of working in close contact with the Federation of Independent Trade Unions of Russia, within the framework of the Russian Tripartite Commission for the Regulation of Social and Labor Relations included.

Bankruptcy of Small Enterprises Blamed on Lack of Experience

934E0241A Moscow DELOVOY MIR in Russian
2 Mar 93 p 15

[Article by Lyudmila Margolina: "Conflict as a Sign of Non-Professionalism."]

[Text] According to the results of regional surveys conducted by the Experimental Sociology Laboratory of the

"Kontekst" Scientific Center, more than a third of all small enterprises fall apart quickly, and not only because of the economic and political situation in the country, but also because of the inability of their managers to do business and manage the work team. The resulting conflicts overwhelm the new commercial structures and cause their ruin.

When a new enterprise is established in a market economy, economic feasibility studies and the compilation of a business plan should be accompanied by designs of socioeconomic patterns for the new organization.

"This concept of economic management does not exist in our country," said Leonid Averyanov, the head of the Experimental Sociology Laboratory of the "Kontekst" Scientific Center. "It is still unfamiliar to many people, especially entrepreneurs. We have designed machines, garments, plants, and cities, but we have never researched the principles and laws of human interaction in the production sphere. They are subject, however, to known rules and standards. After we experienced a conflict in our own work team, our laboratory had to develop designs for more favorable patterns of social relations at an enterprise. Now laboratory specialists—sociologists, psychologists, economists, and jurists—are helping firms compile documents, including regulations, instructions, and orders to regulate interpersonal relations in the work team, are assisting in the creation of the necessary conditions for the most effective interpersonal cooperation, and are regulating contacts between the administration (employers) and labor. The most common causes of conflicts in labor collectives and forms of protest have been determined from studies at enterprises in different property categories in various regions. As a result, we have been able to compose a scale of social tension, allowing for the quick and efficient diagnosis of conflicts and the determination of the means of resolving them."

Conflicts are most likely to arise during the distribution of command functions. After a plant in the Moscow suburbs was privatized, the administration began using its own discretion to set wages and distribute income. Management's authoritarian decisions caused clashes between the personnel of basic and auxiliary shops. In line with earlier practices, the former were paid more and the latter were paid less, although the whole workload of these groups had changed. This stalled the production process.

Here is another, seemingly different situation. A council of laboratory heads was created as part of the staff of the director of a commercial structure working on "new age" development projects. The council began to have altercations with the director, refusing to accept many of his decisions. After failing to find effective patterns of interaction, they all went their separate ways and the firm was dissolved.

In the first and second cases and in many others of the same type, the cause of the conflicts was the reproduction of the old system of management by command. The

bylaws of an enterprise operating in a market economy should record the precise set of socioeconomic relations in the work team, define the spheres of activity, rights, and obligations of each member of the organization, and delineate the spheres of influence of each administrative entity. It does not matter how many people are working together—two or twenty; there is always a boss and the people who take orders from him. Everyone should know exactly who is to do what, how it is to be done, and who is to be responsible for what. Furthermore, any organization (as sociologists can illustrate with examples from world experience) will succeed in surviving if it operates within the confines of a self-adjusting and self-regulating system distinguished by interaction by three different parties: management, labor, and some kind of arbiter. When laboratory experts developed a system for the automatic apportionment of the total income of the workers, conflicts were reduced dramatically. Regrettably, it was too late to save the second organization.

Leonid Averyanov believes that the successful development of entrepreneurship, including small business, will require everyone who has chosen this line of work to constantly master the set of laws and rules governing the market economy.

If an enterprise is just beginning to do business and its associates are gaining a sense of security, it must be guarded against possible upheavals. In this case, it is important to consult sociologists, who will assist in assessing the reliability of business relations and compiling a socioeconomic plan for the organization. The laboratory's services are all the more necessary wherever conflicts have already arisen.

The Experimental Sociology Laboratory of the "Kon-tekst" Scientific Center may be contacted by telephone at (095) 598-16-68.

Impact of Taxation on Economy Assessed

934E0223A Moscow VEK in Russian
No 8, 26 Feb-4 Mar 93 p 7

[Article by Grigoriy Kiperman, doctor of economic sciences and professor: "Taxes: A Stimulus or a Brake?"]

[Text] We have many taxes and their number is not being reduced but is growing. Nearly every session of the Russian Federation's Supreme Soviet considers that it is its duty to make us "happy" with another two or three. The Supreme Soviet's December session added two taxes to the list (according to our calculations, there are now 43 of them).

One of them is the collection for the needs of educational institutions, which is levied on legal persons. It is set by decisions of the republics within the Russian Federation and the agencies of state power in krais and oblasts and is completely directed to their budgets for the special purpose of providing additional financing to educational

institutions. The rate of this tax is up to one percent of the annual wage fund of enterprises, institutions and organizations.

On 1 January 1993, a local tax was introduced for the maintenance of housing and installations in the social and cultural area. It is levied in an amount that does not exceed 1.5 percent of the sales volume of products produced by enterprises located on the corresponding territory. Local councils set the specific rates. Theoretically, the rate could be even lower than 1.5 percent; however, in actuality, this will hardly occur. An unwritten rule has strongly taken root among us: If the Supreme Soviet sets a tax rate on the property of enterprises "of up to one percent," not a single oblast or kray will set a lower one.

In this regard, sales volume is used only as a base for taxation and the book profit is the source of the payment: The tax is related to the financial results of the enterprise's activity, is included in non-sales expenditures and is levied before the payment of the tax on profits.

The introduction of this tax is connected with the fact that our enterprises have not been in an equal position: Some have kindergartens, rest camps for children, after-work sanitariums, and rest bases on their balance sheet and are now expending large sums for their maintenance. Others did not acquire such social and consumer installations in the past and are the winners. Every one has now been placed in an approximately equal position; all must pay. However, if one has a kindergarten or after-work sanitarium on its balance sheet, the expenses for its maintenance are included in the amount of the tax. For example, if an enterprise's product sales volume is 160 million rubles and the expenses for maintaining a kindergarten are 1.8 million rubles, its tax is reduced by this amount: $160 \times 1.5 \text{ percent} = 2.4 \text{ million rubles}$; $2.4 - 1.8 = 0.6 \text{ million rubles}$.

If the enterprise's expenses for maintaining its social and consumer installations are more than 2.4 million rubles, it would not pay this tax.

All this is unpleasant news. However, there is also pleasant news. The main one is the substantial reduction in the value added tax rate and the expansion of benefits for the tax on profit. The main VAT rate has been reduced from 28 to 20 percent and the preferential rate—for food and children's items on the prescribed list—is 10 percent. The tax is levied at these rates above the free wholesale price. If one is talking about the tax on a controlled price or on a wholesale factory price including the VAT, its percentage or rate is 16.67 percent in this case and the preferential rate is 9.09 percent. These rates are derivative ones; it is not complicated to determine them independently. For example, if a footwear factory sells boots for 3,600 rubles a pair, their wholesale price without VAT is 3,000 rubles and the VAT is 20 percent or 600 rubles. Consequently, in conformity with the price including VAT, its percentage

or rate is 16.67 percent (600 divided by 3,600 = 16.67 percent). If one talks about food items, 9.09 percent is obtained in the same way (10 divided by 110 = 9.09 percent). Thus, in trade, a mark-up amounting to 25 percent includes the VAT and its over-all rate in this mark-up is 16.67 percent and the preferential one is 9.09 percent.

An easy time is given to so-called individuals, that is, to persons engaged in entrepreneurial activity without forming a juridical person: If their profit from the sale of goods or services does not exceed 500,000 rubles a year, they are freed of the VAT. Previously, this preferential frontier was 100,000 rubles.

The pampering, one must admit, is more than a modest one. Is it possible that our legislatures think that prices have grown fivefold and 500,000 rubles now corresponds to the previous 100,000 rubles? The absurdity of this assumption is evident. The threshold for freeing 100,000 rubles of sales profit from VAT was established on 6 December 1991 and the decision to change it was adopted on 22 December 1992. Grossly speaking, prices grew 100-fold during that time and not fivefold. If one is to grant real benefits and not just create the appearance of them, one must free the smallest commodity producers, whose profit does not exceed—at the very least—2-3 million rubles, from the VAT. Goods and services (except middleman ones), which are produced by enterprises in which disabled persons form no less than 50 percent of the total number of workers, are freed from the VAT.

Serious changes have occurred in the taxing of profit. This is especially important for entrepreneurs. The Law on Taxing the Profit of Enterprises and Organizations previously granted them certain privileges. They have now been seriously expanded—amounts directed toward financing capital investments of a production and non-production nature have been completely excluded from the profit subject to taxation. We are talking about any investment: for the acquisition of equipment, expansion of production, construction, etc. The granting of this benefit can noticeably affect a budget's income portion. The state, however, was forced to take this step because of the catastrophic decrease in capital investments. A hope now exists for their gradual increase: The benefits that have been granted actually mean that any enterprise, private or corporative, finances one third of its capital investments at the expense of the state.

Although this benefit is, in principle, being granted to any enterprise—large and small, state and private, industrial and trade—far from all are making use of it. The trouble is that one can exclude the investments from the profit subject to tax only on condition that the amount of the added depreciation (amortization allotments) is completely used as intended. As an analysis shows, you seldom meet a director who can answer the elementary question: How is the depreciation added for the year being used? Meanwhile, its amount is becoming more and more impressive because an entire re-evaluation of

fixed capital is being carried out based on 1 July 1992 conditions. It has risen 20-fold in price on the average and depreciation has increased correspondingly.

Now each enterprise must conduct an accurate accounting not only of the extra depreciation charge but also of its use because, otherwise, it is impossible to receive the serious benefit that has been granted since the beginning of this year.

250,000 Russians Died of 'Unnatural Causes' in 1992

934E0214A Moscow IZVESTIYA in Russian 3 Mar 93 p 5

[Article by Lidiya Ivchenko, IZVESTIYA: "A Quarter of a Million Russians Have Been Accident Victims"]

[Text] Last year, Russia lost 250,000 people as a result of deaths from accidents, poisonings, injuries, or so-called unnatural causes—in effect, the population of a big city. Together with the sharp reduction in the birth rate, the increase in the mortality rate has led to an absolute reduction in the population for the first time during the entire postwar period: There were 40,000 less Russians at the beginning of this year than in 1992 according to preliminary data.

Russia's State Committee for Statistics points out that the republic's demographic situation, which has been uninterruptedly worsening since 1988, has frankly acquired a crisis nature. The mortality rate for babies during their first year of life and the death of people from accidents, among whom the number of murders, suicides and alcohol poisoning is growing, are causing special alarm.

B. Bruy, a consultant in the Demographic Statistics Administration in the State Committee for Statistics, says: "Whereas the over-all mortality rate grew by almost seven percent during the year, the number of those who died from these causes increased by 20 percent. Within the overall structure of causes of death for the able-bodied population, accidents have now moved from second to first place. Men die four times as frequently as women."

The growing number of suicides is especially alarming: one out of five, who die from unnatural causes, leaves life voluntarily. Attempts are extremely more frequent, of course. There were 46,000 suicides during 1992 alone—7,000 more than during the previous year. This is a huge number—a direct reflection of the crisis that has burst upon our society. Many perceive their lives to be a failure now. The State Committee for Statistics points out that, if one compares this with the countries of the West, "we are in front of the whole planet" for suicides. With respect to 1987—the most successful year from a demographic respect, the indicator has jumped 1.5-fold. The mortality rate increased at the highest rate among

juveniles less than 19 years old. This is directly connected with the increase in alcoholism and drug addiction: Now, 19 out of each 100,000 15-17 year olds are on the books in connection with alcoholism and 40—in connection with drug addiction and toxic substance abuse. The number of murders has grown twofold in comparison with 1987—at the time, there were eight murders for each 100,000 people and now there are 15.... If the mortality rate remains this high in the immediate future, a third of the generation of youth, who are now 16, will not live until 60.

The impassive statistics force one to think. You see, that, which is now occurring so dynamically, will provide its own consequences—and quite predictable ones—very soon. On the one hand, the sharp reduction in the birth rate and, on the other hand, the increase in the mortality rate will affect the country's labor resources. The health of those being born is becoming poorer: Whereas even quite recently, in 1985, every 10th or 11th one of those born became ill, it is now every sixth and even every fifth one! Also, they will not provide healthy descendants and this threatens our entire nation.

B. Bruy explains! "The numbers are not terrible by themselves but as evidence of our society's qualitative potential. Take the over-all mortality rate indicator: In the West, it does not differ very much from ours—there, it is 11-13 individuals per thousand and for us—12. However, this indicator is high there because of the high life expectancy; more people live to old age and the more the elderly, the higher the mortality rate percentage. Our social cataclysms are contributing to an increase in infarctions, accidents, suicides, and similar conditions that carry off people in the prime of life, not to mention the high infant death rate. As a result, life expectancy, which is extremely lower for us than in the developed countries, has fallen from 70 to 69 years.

However, how can the demographic situation be corrected? With the existing unfavorable conditions, it is unrealistic to count on changing it completely. However, purposeful and integrated measures are required in order to even prevent it becoming worse. As an analysis shows,

the drop in the birth rate is linked greatly to social causes; one must achieve changes in this area. The State Committee for Statistics is directing the attention of the country's leading agencies toward measures for the social protection of families: Not only multi-child families but especially the more widespread young married couples, on whom the increase in the population will depend in the immediate future, need them. If they are not supported and not given incentives, even simple reproduction will stop: During the last five years, they have been giving birth to a second and third child twofold less than before. By the way, based on State Committee for Statistic data, the government has entrusted the appropriate ministries with submitting coordinated proposals.

Against the background of the reduction in the birth rate when maternity hospitals are standing empty, it is necessary to make efforts, as the Ministry of Health and the State Committee for Statistics recommend, for a reduction in the infant mortality rate and the pulling through of low-weight and premature babies. Russia's shift on 1 January of this year to international criteria for counting juvenile mortality rates will inevitably lead to a rise in the mortality indicator during the first year of life; however, in return, many human beings will be saved.

DELOVOY MIR Economic Statistics, 5 February

934E0186A Moscow DELOVOY MIR in Russian
5 Feb 93 p 6

[Article by Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, State Committee for Statistics of Russia: "Prices Rising More and More Rapidly"]

[Text]

Consumer Goods Price Level

During the period from 12 through 19 January prices of the main food products that are registered weekly rose by 6.3 percent, which is higher than the rates of price increases during the preceding week (4.9 percent).

The dynamics of the weekly price changes are given below:

	in percentage of preceding week		
	5 Jan	12 Jan	19 Jan
Total	109.5	104.9	106.3
Including:			
—in retail trade	104.8	104.8	106.8
—in city markets	123.6	105.1	104.6

During the three weeks of January the growth of prices of the main food products on average throughout Russia

was 22 percent. Prices of meat, fish, and dairy products rose by 25-30 percent.

The changes in the average prices of 70 food commodities during the past week in consolidated commodity groups are characterized by the following figures:

			in percentages
	total	including:	
		in retail trade	in city markets
All foodstuffs	106.3	106.8	104.6
Including			
Meat and meat products	107.4	110.5	104.1
Fish and fish products	107.7	108.3	
Butter	107.7	107.7	107.8
Vegetable oil	105.2	105.1	105.6
Milk and dairy products	108.4	108.0	110.7
Sugar	102.3	102.7	
Confectionery items	105.6	105.9	
Flour	100.6	100.6	
Bakery items	101.6	101.6	
Potatoes and vegetables	104.2	101.9	106.5

The greatest increase in average prices during the past week in retail trade were reported for live fish (18.4 percent), nonfat cottage cheese (16.4 percent), beef (14.8 percent), buckwheat (12.3 percent), milk and sour cream (11 percent), and butter (7.7 percent). It was significantly higher in a number of cities. Beef prices rose by more than 30 percent in Moscow, Nalchik, Cherkessk, Tyumen, and Vladivostok; butter—in Vorkuta, Blagoveshchensk, and Chita; and milk—in Volgograd, Nalchik, and Blagoveshchensk.

There was a 1.4-fold to twofold increase in prices at city markets for butter in Kaluga and Tver; milk—in Tyumen, Birobidzhan, Petropavlovsk-Kamchatskiy, and Yuzhno-Sakhalinsk; potatoes—in Blagoveshchensk, Shakhty, and Nakhodka; and fresh cabbage—in Kaliningrad, Angarsk, and Kemerovo.

For comparison, figures are given for prices in retail trade in January of this year in the capitals of the sovereign states (in rubles per kg. or liter):

	Moscow	Baku	Yerevan	Ashgabat	Bishkek	Minsk)	Alma-Ata
Beef	494	280	450	60	258	110	323
Butter	831	400	1,000	60	—	240	360
Milk	37	60	50	2	20	6	30
Sugar	205	180	260	15	155	100	150
Wheat bread from high-grade flour	52	21	30	3	20	9	16
Potatoes	36	40	—	25	30	29	25
Apples	140	40	100	90	45	150	79

Of the 22 nonfood commodities observed daily, the prices of knitted items increased 7.4 percent during the past week, sewn items—7.5 percent, goods for cultural and domestic purposes—3.5 percent, and footwear—5.1 percent.

The growth of prices and rates of paid services to the population during the two weeks from 5 through 19 January of this year amounted to 11 percent. Rates for hairdressing services increased by 25 percent. Residents of Tolyatti, Ufa, Kemerovo, Novokuznetsk, Norilsk, and Yuzhno-Sakhalinsk have to pay R500-R600 for a fashionable hairdo with a blow dry, while the average cost throughout Russia is R235. The cost of washing and ironing has gone up by 21 percent. This service costs R60

per 1 kg of plain laundry in Cherepovets, Murmansk, Lipetsk, and Yekaterinburg, and about R200 in Petropavlovsk-Kamchatskiy. The cost of keeping children in pre-school institutions has gone up by 25 percent. In Murmansk, Tver, Yaroslavl, and Volgograd, parents had to pay more than R50 per day, and in Arkhangelsk, Ivanovo, and Khabarovsk—about R80.

The Consumer Market

Last week (18-22 January) as compared to the preceding one (according to data from constant observation in stores of 76 republics of the Russian Federation and kray and oblast centers), meat production throughout Russia as a

whole increased 2.1-fold, vegetable oil—25 percent, and bread and bakery items—10 percent. As a result, there was a smaller group of cities where these products were not for sale. In particular, meat appeared on the counters of the stores inspected in Smolensk, Yaroslavl, Kirov, Voronezh, Makhachkala, Chelyabinsk, and Kaliningrad (at a price of R205-R486 per kg); and vegetable oil—in Petropavlovsk-Kamchatskiy (R174-R403).

Eggs could be bought practically everywhere except Rostov-na-Donu and Orenburg (last week they were not found in stores inspected in 11 cities).

The change in the volumes of production, sale, and reserves of the basic food products during the week is characterized by the following data:

	In percentage of preceding week			Number of cities where commodity was not for sale	
	production	sale	reserves in retail trade	11 Jan-15 Jan	18 Jan-22 Jan
Meat	2.1-fold	116	109	25	22
Vegetable oil	125	124	111	38	33
Sugar	116	102	104	22	21
Bread	110	103	90 (flour)	6	4

The situation deteriorated on the market for goods of the children's assortment. Last week there were no wool blend dresses for girls or trousers for boys in the stores that were inspected in 33-36 cities (during the preceding week—28-30); and jackets and warm shoes for children—in 24-27 (20-35). Difficulties in buying goods of the children's assortment were experienced by residents of Orel, Saransk, Tambov, Elista, Vladikavkaz, Orenburg, Krasnoyarsk, Irkutsk, Kyzyl, and Vladivostok. Moreover, the growth of prices for the main kinds of clothing for children during the week amounted to six to 14 percent, and for adults—four to nine percent.

Industry

During the past period of January, for 99 items (68 percent of the number taken into account in the periodic weekly report), the average daily production decreased as compared to the corresponding period of January and December of last year.

In the fuel industry during 24 days of January, 22.5 million tonnes of oil were extracted. The daily extraction as compared to the same period of January of last year decreased by 16 percent; compared to December—it increased by two percent. The number of inactive wells continues to increase and now exceeds 23,000 (16 percent of the total number in operation).

Gas extraction amounted to 44.2 billion cubic meters. The volume of the daily gas extraction (1.8 billion cubic meters) was practically the same as the extraction for analogous periods of last year and the previous month.

As compared to the corresponding period of last year, the daily extraction of coal decreased by 15 percent and amounted to 18.7 million tonnes. The reduction of the extraction occurred because of a prolonged strike at one of the largest mines of Russia, Vorgashorskaya, the shortage of material and technical resources at existing mines and fields, and the shutdown of the mines during holidays.

In ferrous metallurgy, the production of the basic final product of the branch—prepared rolled metal and steel

pipes—for 24 days of January of this year corresponded to the level of the analogous period of last year. As compared to the level of three weeks of December 1992 the daily smelting of iron and steel decreased by seven to eight percent, the production of prepared rolled metal—by nine percent, and steel pipes—by one-fourth, which is linked largely to the retardation of the work or partial stoppage of production at metallurgical enterprises during the holidays.

In machine building during the past period of January, for more than one-third of the items under consideration the average daily production exceeded the corresponding level of December of last year. This pertains to the output of diesel engines and diesel generators, alternating current electric engines, wood processing machine tools, boxcars, tractor and truck trailers, and roller bearings.

The daily output for the corresponding period of January 1992 was exceeded by 40 percent of the items taken into account. But for production of large electrical machines, forge and press machines, excavators, and grain combines, the lag behind last year's level was more than half.

During the past period of January of this year, they did not begin production of tower cranes and cranes with pneumatic wheel drive, scrapers, and mainline steam locomotives. For the majority of machinebuilding items the output increased toward the end of the month. Thus, for two-thirds of the items, the daily output during the third week of the month exceeded the production for the days of the first two weeks of January. For the output of large electrical machines, small electric engines, metal cutting machine tools, cranes, traveling cranes with electrical and automotive drive, and roller bearings, the difference was 30-60 percent; excavators, forge-press machines, automotive graders, and city telephone cables—two- to fivefold, and feed combines—eightfold.

The breakdown of business relations among enterprises of Russia and the CIS countries, which led to a reduction of the receipt of material resources into the republic, the reduction of import deliveries of raw and processed materials, and a number of other factors led to a situation where enterprises

of the chemical and petrochemical industry began this year with a decline of the volumes of production of the majority of the most important kinds of products. This pertains above all to the most important raw material products—synthetic diamonds, sulfuric acid, and soda ash; their average daily output during the past period of January was only 83-86 percent of the level of the corresponding period of January 1992. The daily output of chemical fibers and filaments, the main raw material for the textile industry, was 900 tonnes, which is almost one-fourth less than the level of January of last year and 15 percent less than last month.

The situation with the production of products for the agro-industrial complex remains strained. The average daily output of mineral fertilizers and nutritive microbiological protein declined by 23 percent and 20 percent as compared to the corresponding period of January of last year, and tires for agricultural machinery—by more than half.

There was further deterioration of the situation with the output of timber products during January in the timber, wood-processing, and pulp-and-paper industry. During 24 days of January there was an increase over the average daily output of the analogous period of December 1992 only in the production of commercial timber, lumber, and cardboard, but as compared to the level of January of last year there continues to be a tendency toward decline of all the main kinds of products of the branch. Because of the shortage of timber raw material, the situation with the output of products of the processing products continues to deteriorate. As compared to the corresponding period of last year, the average output of lumber decreased by 25 percent, paper—by 27 percent, and commercial pulp and cardboard—by 13-16 percent.

In the construction materials industry during the third week of January of this year as compared to the first two, there was an increase in the average daily output of the majority of kinds of construction materials. But the lag behind the level of the average daily production of last month and January of last year is still considerable and amounts to 14-29 percent for the output of slate, high-grade asbestos, and window glass, and 39-41 percent for cement, soft roofing, and rolled insulation material.

The situation in light industry did not improve either. As compared to the analogous period of December 1992, there was a reduction of the daily output of woolen, silk, linen, and hemp-jute fabrics, hosiery and knitted items, and footwear—by two to 23 percent. A difficult situation has developed with the output of cotton fabrics, and their output has decreased by one-third.

As compared to the corresponding period of last year, there was a reduction of the average daily production of silk, linen, and hemp-jute fabrics and hosiery items—by 12-18 percent; woollen fabrics, knitted items, and footwear—by almost half; and cotton fabrics—by one-fourth.

In the production of household appliances as compared to the analogous period of last year, there was an increase in the daily output of refrigerators and freezers, washing machines, television sets, videotape recorders, sewing

machines, motorcycles, and knitting machines. But for the majority of the aforementioned kinds, we have not reached the level of daily output of December 1992.

Since the beginning of the year a difficult situation has been developing with respect to providing the population with the most important kinds of foodstuffs. For 14 of the 21 kinds of food products taken into account in the periodic report, production decreased in comparison to both the corresponding period of last month and January 1992. The greatest drop in production as compared to the corresponding period of last year was found with respect to meat, whole milk products, mineral water, salt, and concentrated foods—by 30-50 percent, and the production of fatty cheeses has dropped by three-fourths.

Of the products in daily demand in January of this year, there was growth in output of detergents, lotions, toothpaste, and shaving cream as compared to an analogous period of the preceding month.

Agriculture

On the whole, the wintering of livestock is taking place under difficult conditions, and the shortage of feeds and the lack of preparation of animal husbandry premises and feed preparation equipment are being felt. During the fourth quarter of 1992 as compared to October-December 1991 the volume of sales of cattle and poultry for slaughter decreased by seven percent, milk production—by 18 percent, and egg production—15 percent. Meat production decreased in 50 regions of Russia, and the milk yield and productivity of cows decreased practically everywhere (except the republics of Komi and Tatarstan).

The majority of regions of Russia have not created reserves of feeds sufficient for the entire winter stabling period. Only in 11 republics, krays, and oblasts of the Russian Federation by the beginning of 1993 were there 14 quintals of feed units or more per conventional head, while in 32 territories the amount available was less than 10 quintals of feed units, including in the republics of Karelia, Komi, and Tuva, Khabarovsk Krai, and Novgorod, Pskov, Leningrad, Moscow, and Kaliningrad Oblasts—only four to seven feed units. The situation is exacerbated by the fact that the farms, not having the necessary feed preparation equipment, have been forced to give livestock feed in unprocessed form. And there has been a significant reduction of the degree of assimilation of forage and output of products. Only five percent of the kolkhozes and sovkhozes have shops for producing concentrated feeds, and only 70 percent of the farms have feed shops and feed kitchens for cattle and hogs. By the beginning of January, from five to 20 percent of the available feed manufacturing equipment was in good repair.

The shortage of feeds and the low level of zootechnical work on agricultural enterprises were reflected in the productivity and maintenance of the livestock. The average daily milk yield on dairy farms dropped from 4.6 to 3.9 kg. The loss of livestock from death and destruction increased by from eight to 13 percent, and the number of offspring decreased by 13-21 percent. The number of head of livestock continued to decrease. As compared to 1 October 1992, the

number of cattle decreased during the three months of wintering by 2.1 million head (five percent), including cows—by 0.6 million (four percent), hogs—by 2 million (nine percent) and sheep and goats—by 5 million (13 percent). This significantly exceeds the analogous losses of numbers of livestock in the fourth quarter of 1991.

Reserves of Coal and Fuel Oil

During the past week (11-18 January) the rates of reduction of the reserves of coal and fuel oil have slowed up at energy enterprises, boilers used in housing and municipal services, and among the population.

Actual reserves

	of coal				of fuel oil			
	as of 30 Dec 92		as of 18 Jan 93		as of 30 Dec 92		as of 18 Jan 93	
	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption
Energy enterprises	21,431	37	18,530	32	3,225	28	2,971	26
Metallurgy enterprises	1,657	12	1,513	9	488	32	414	28
—including for coking	508	5	470	5				
Housing, municipal services boilers	416	41	334	31	143	41	130	37
Warehouse of rayon (city) fuel supply administrations	2,110	28	1,935	26				

Since the beginning of the winter period, there have been no coal supplies, or they have been low (enough for one to seven days) at heating and electric power stations of the Republic of Khakassia, and the increase of the average daily expenditure led to a reduction to a two-day supply among these organizations of the Republic of Altay.

There are constant coal shortages for housing and municipal services boilers of Belgorod and Voronezh Oblasts, while in the neighboring Kursk Oblast there is a two-month supply. The coal supplies have been low (enough for four to eight days) for three weeks at these enterprises of the Republic of Kabardino-Balkaria and Khabarovsk Kray. Since the beginning of the month for the boilers of Vladimir Oblast they have decreased from 27 to 13 days, Yaroslavl Oblast—from 42 to 18 days, Magadan Oblast—from 38 to 18 days. The boilers in Kamchatka Oblast, where the fuel oil supplies are enough for one day, are in an impoverished condition as before.

During the course of the month coal reserves sufficient for from three to nine days are retained at warehouses of rayon (city) fuel supply administrations in Arkhangelsk, Murmansk, Bryansk, Tver, Kemerovo, and Amur Oblasts, the Republics of Komi and Khakassia, and the Mordvinian SSR. During the period from 11 through 18 January in Orel Oblast they decreased from 12 to three days, in Irkutsk—from 14 to nine days, in Sverdlovsk—from 11 to five days, in the Chechen Republic and Ingush Republic—from 15 to four days. It should be noted that there was some increase in reserves at warehouses of Maritime Kray (from 11 to 23 days).

The Work of Suburban Transportation

The State Committee for Statistics of Russia conducted a spot check of the adherence to the arrival times during the morning "peak" hours from 0700 to 1000 hours local time for local trains and buses to capital cities of the republics and oblast and kray centers. On the day of the check every fifth electric commuter train and every seventh local bus arrived late.

	Number of vehicles arriving late	Proportion of vehicles arriving late	Average delay
Trains	121	20	9
Buses	284	14	13

Just during the hours of the check, 187 local bus trips (eight percent of those scheduled) were canceled.

The length of delay of 84 percent of the local trains and 71 percent of the buses was from four to 14 minutes, and every eighth train and every fourth bus was late by 15 minutes and more.

All local trains arrived late in Tver and Tula; three-fourths—in Vladivostok and Perm; two-thirds—in Rostov-na-Donu; and half in St. Petersburg, Volgograd, Kazan, Tambov, and

Kemerovo. Trains arrived with the greatest deviations from the schedule in Kirov, where the average time of delay per train was 31 minutes, and Tambov—28 minutes.

In a number of regions an unfavorable situation has developed with respect to local bus service for the population. On the day of the spot check during the morning peak hours, more than 60 percent of the scheduled local buses did not arrive in Groznyy and Volgograd, in Nalchik—39 percent, in Belgorod and Samara—one-third, Tula and Kirov—22 percent, and Moscow—18 percent.

Three-fourths of the buses arrived late in Barnaul, two-thirds—in Volgograd, one-half—in Belgorod, Lipetsk, Astrakhan, Krasnodar, and Petropavlovsk-Kamchatskiy, and 40 percent—in Arkhangelsk, Kaluga, Nizhniy Novgorod, and Cherkessk. In Astrakhan the average time of delay of a local bus was 38 minutes, Kaluga—34 minutes, and Moscow, Lipetsk, Tambov, Saratov, Barnaul, and Ulan-Ude—20-26 minutes.

DELOVOY MIR Economic Statistics, 26 February

934E0218A Moscow DELOVOY MIR in Russian
26 Feb 93 p 6

[Report by Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, Russian State Committee on Statistics: "Fewer and Fewer Products Being Produced for the People"]

[Text] January is characterized by a 22-percent decline in industrial production as compared with January of last

year (to a certain degree this is related to a lesser amount of labor time this month). Average daily production volume in January (in comparable prices) constituted 97 percent of the December volume. We are seeing a trend towards increased numbers of items for which production is growing. Whereas in December 1992 growth was observed, as compared with December of the preceding year, in 43 of 250 aggregate groups taken under consideration for periodic reporting, in January 1993 this number came to 62 as compared with January 1992, and 112 as compared with December. Livestock and fowl purchases (live weight) in all categories of farms decreased as compared with December 1992—by 31 percent, purchases of eggs—by 28 percent. Wholesale prices for industrial production increased by 32 percent as compared with the previous month, consumer prices for goods and services—by 27 percent; retail trade turnover (in comparable prices) decreased 19.7 percent.

Socioeconomic Situation of the Russian Federation (In Actual Prices)

	January 1993	January 1993 percentage of January 1992 level (in comparable prices)
Gross domestic product, trillions of rubles	3.2	82
National income generated, trillions of rubles	2.6	81
Industrial production volume, trillions of rubles	2.987	78.2
Production of consumer goods, billions of rubles	894	84
Including:		
Foodstuffs	376	89
Alcoholic beverages	61.4	99.9
Nonfood products	457	78
Purchases of main livestock products, millions of tonnes		
Livestock and poultry (live weight)	0.453	82
Milk	1.282	84
Eggs, billions	1.8	90
Retail trade turnover, billions of rubles*	762.4	153.0
Paid services, billions of rubles	64.6	72.7
Freight shipments (dispatch), general-use transport, billions of tonnes	0.3	70
Monetary income per capita, rubles	7,931	10.3-fold**
Savings increase by the populace, in deposits and securities, billions of rubles	61.4	7.3-fold**
Emission, billions of rubles	224.2	13.1-fold
Taxes and payments to the budget, trillions of rubles (State Tax Service data)	1.1	18-fold
Exports, billions of U.S. dollars	2.2	88
Imports, billions of U.S. dollars	1.0	44

*Without consideration of product sales to individual citizens through free trade

**In actual prices

[begin box] In January of this year, according to Russian State Tax Service data, 1.1 trillion rubles [R] in taxes and other obligatory payments went into the budget. This is greater than the average monthly receipts into the budget for fourth quarter 1992 by R191.0 billion (21.4 percent), including a 9-percent increase over December. [end box]

The greatest shares of this total amount are attributable to value-added tax (45.9 percent), tax on profits (28.5 percent), income tax (10.1 percent), and payments for the use of natural resources and mineral wealth (6.2 percent). Income received from privatization over January amounted to R20.5 billion, 7 percent less than over December of the previous year. Receipts from the tax on securities transactions decreased.

The largest portion of taxes and payments received was directed to the federal budget—58 percent (54 percent in December 1992); 42 percent went to the budgets of territories (46 percent). For 49 territories, the percentage of deductions to the federal budget exceeded the average level, including 16 territories in which this percentage was greater than 65 percent.

[begin box] Increased indebtedness was noted in January by virtue of wages due enterprise workers. As of 1 February, the volume of this indebtedness in industrial, construction, and agricultural enterprises exceeded R43 billion, as compared with R29 billion at the beginning of the year. [end box]

Infusions of credits into the economy are continuing, and in significant volumes. According to current data of the Central Bank of Russia, the volume of credit investments in the territory of Russia as of 1 February 1993 amounted to R6.6 trillion, more than 1.3 times the volume at the beginning of the year, and 12.8 times greater than for the same date of last year. The increase in credit investments over January came to R1.5 trillion, as opposed to 0.6 trillion for December. No changes are taking place in the structure of the credits issued. Short-term loans constitute 95 percent of the total volume of credit investments, long-term loans—only 5 percent.

Industry

[begin box] In January of this year, industrial production totaled R2.987 trillion in current prices. The index of physical volume of industrial production output as compared with the same month of last year was 78.2 percent. Average monthly production volume during fourth quarter 1992 decreased on approximately the same scale. The decline in production output was observed at enterprises of all sectors of industry. Production output decreased in large amounts in sectors having intermittent production processes. This was brought about to a certain degree by a lesser amount of operational work time available in January of this year. Production at machine-building enterprises was reduced by practically one-fourth the level of January of last year. Production output in light industry was slightly more than half, and in the building materials industry—comprised two-thirds of last year's levels. [end box]

In the fuel industry, 30 million tonnes of oil was produced in January of this year, which is on the level of December 1992 but 5 million tonnes (14 percent) less than for January of last year. January of this year saw a continuation of the decline in volume of coal extraction: by 1.3 million tonnes (4 percent) as compared with December and by 4 million tonnes (12 percent) as compared with January of last year. Production of gas corresponded in practical terms to the levels of January and December of last year (57 billion cubic meters).

In ferrous metallurgy, the January output of finished rolled metal and steel showed a reduction of 3 and 6 percent, respectively, as compared with January of last year, and of 6 percent as compared with December. Production of steel pipe was somewhat greater than in January 1992, but 17 percent less than for the previous month.

In machine building, the daily production of most items in January of this year decreased as compared with the same period in 1992. Output of large electrical machinery, tower cranes, forging and pressing machines, tractor and motor vehicle trailers and semi-trailers, and tractor mowers was reduced by over half, of wheeled cranes and grain-harvesting combines—by almost a third, of low-power electric motors, foundry machines, electric bridge cranes, and roller bearings—by 13-20 percent, and of metal-cutting machine tools, freight cars, bulldozers, and feed-harvesting combines—6 percent.

At enterprises of the chemical and petrochemical industry, output of raw material products—synthetic ammonia, sulfuric acid, and caustic soda—constituted in January 1993 only 80-91 percent of the level of January of last year. Production of plastics and synthetic resins decreased 12 percent, including their progressive varieties: polyvinylchloride—24 percent, plastic compounds based on this—14 percent, thermoplast pipe and components—51 percent. Production of chemical fibers and filaments and synthetic dyes—materials extremely important to the textile industry—was [word illegible] and 57 percent less than in January of last year.

In the lumber, woodworking, and pulp and paper industry, timber production output continued to drop. This was related primarily to failures in operation of the base industry—the logging industry. The raw materials base for continued lumber processing during the course of the year is to a great extent laid during the first quarter. Output of commercial timber in January fell to 14.4 million cubic meters—5.3 million cubic meters (27 percent) less than the level for the same period of last year. Output of sawn lumber, railroad ties and beams for wide-gauge track, plywood, and door and window assemblies decreased by 17-30 percent over the level of January of last year, of mine props, braces, and offcut timber—by 40-49 percent. January production output of paper in the republic fell to its minimal level for the past five years—262,000 tonnes. This is 25 percent lower than the level for January of last year.

In the building materials industry, a lag behind the levels of January of last year was seen in the production of practically every variety of building material, including a lag of 28-39 percent with respect to cement, soft roofing and insulation, slate, and high-quality asbestos.

A decrease was seen in the production of materials used in building facilities for production and technical use and large-panel housing construction: precast reinforced concrete structures and components (by 31 percent), panels for large-panel housing construction (25 percent), and light metallic structures (26 percent).

[begin box] In January 1993, Russian Federation industry produced consumer goods totaling R894 billion—16 percent less than the January 1992 level. Output of nonfood products totalled R457 billion (22 percent). [end box]

The situation at enterprises of light industry continues to deteriorate. Daily production of cotton and silk fabric, knitted articles, and footwear decreased 2-15 percent as compared with the level of December 1992; the lag behind January 1992 levels with respect to these products was 30-55 percent, except for cotton fabric—which amounted to 73 percent. The main reason for the drop in production was shortages in raw material resources, especially cotton.

Regarding the production of major household appliances, output of goods in demand by the high-income segments of the population continued to increase: kitchen appliances—by a factor of 1.5 as compared with January 1992, knitting machines—by 1.6, microwave ovens—by 11 percent. Within the framework of conversion, there was an increase in production of television sets by the Lazur plant (Nizhniy Novgorod Oblast) and washing machines—by the Moscow Aircraft Production Association.

For many varieties of foodstuffs, we did not succeed in attaining the production level of January 1992. As before, there is a significant lag in the output of meat, whole milk and margarine production, bread and bakery products (by 17-27 percent), mineral water, tea, and salt (31-48 percent), confectionery items, macaroni products, flour, and cereals (9-14 percent).

Although the production output of granulated sugar from sugar beets exceeded the January 1992 level, granulated sugar production from imported raw materials decreased 31 percent at the same time. Under conditions of unreliable economic ties with states of the Commonwealth concerning deliveries of granulated sugar to Russia, the drop in its production is aggravating the situation with respect to supply of this product to the populace.

The population of Russia is experiencing acute shortages of output processed from sea and ocean raw materials. Production on the whole of pickled, smoked, dried and

cured fish, and jerked fish products decreased as compared with January of last year by 47-54 percent; of specially prepared fish and culinary items—by 61 and 64 percent.

The Agro-industrial Complex

[begin box] The decline in livestock production output continued in January of this year. As compared with January 1992, sales of livestock and fowl slaughtered at agricultural enterprises of Russia decreased 11 percent, gross milk yield dropped by 14 percent, and egg production—by 10 percent. The reduced volumes were due to continued reductions seen practically everywhere in numbers of livestock and its diminished productivity. [end box]

As of 1 February 1993, numbers of farm animals at agricultural enterprises were: 38.1 million head of cattle (90 percent of the 1 February 1992 level), including 13.1 million cows (91 percent); 20.3 million pigs (84 percent); 32.7 million sheep and goats (85 percent); and 373 million fowl (85 percent). Here losses of livestock at the farms were compensated only partially by virtue of personal farmsteads: of cows—to the level of about 70 percent, cattle (minus cows)—25 percent, sheep and goats—11 percent, and pigs—4 percent.

The average daily yield of milk in January at agricultural enterprises came to 4.4 kilograms, as opposed to 4.6 kilograms a year ago. The egg yield per egg-laying hen amounted to 19 eggs on the average, as opposed to 18 for January of the previous year.

As of 1 February of this year, 44.3 million feed-unit tonnes (5 percent less than as of the same date last year) of feed remained at farms of the republic. There were 9.5 feed-unit quintals of all types of feeds per standard head of livestock, as opposed to 8.9 feed-unit quintals as of 1 February 1992. The feed situation was adverse for agricultural enterprises of the North, North-West, East-Siberia, and Far East regions. In January of this year, murrain affecting sheep and goats increased 11 percent as compared with January 1992, cattle plague—4 percent, and murrain affecting pigs—1 percent. Litters of all varieties of livestock decreased by 13-21 percent.

[begin box] Amounts of livestock production output going to state resources decreased significantly. In January of this year, purchases of livestock and fowl decreased by 100,000 tonnes (18 percent) as compared with January of last year, of milk—by 238,000 tonnes (16 percent), and of eggs—by 203 million (10 percent). [end box]

The average purchase price of one kilogram of livestock and fowl (live weight) in sales by procurement organizations, without taking subsidies into account, came to R90.5 in January of this year, of one liter of milk—R19.3, and of ten eggs—R74, a 1.5-1.8-fold increase as compared with December of last year.

Agricultural enterprises of the republic are somewhat better provided with seed for the coming sowing period as far as spring grain crops are concerned. By the beginning of February, seed assets of farms comprised 10.4 million tonnes of spring grain seeds (not including corn), or 99.9 percent of the requirement as determined by the farms themselves. Wheat and buckwheat seeds are laid in in sufficient quantity.

At the same time, the farms are short 3,000 tonnes of millet seed (5 percent) and 2,000 tonnes of rice seed (3 percent). A great shortage of leguminous crop seed (212,000 tonnes, 19 percent) is being felt. Some 271,000 tonnes (8 percent) of seed potatoes for planting by agricultural enterprises is lacking.

Under conditions of sharply increased prices for machine-building production output for the village, kolkhozes and sovkhoses have significantly reduced the amount of agricultural equipment written off. This has partially compensated for the reduced amounts of equipment procured by the farms. At the same time, the slowed pace of replenishment of the equipment inventory could not help but have an effect on the quality of available agricultural equipment, significant quantities of which are in need of repair. As of the beginning of February of this year, 20 percent of tractors were in a state of disrepair, 22 percent of trucks, 24 percent of plows, 26 percent of cultivators, and 27 percent of seeding machines. This is 2-6 percentage points higher than for the same date last year.

This year agricultural enterprises are continuing, as they did last year, to lower the volumes of fuels, oils, and lubricants they acquire. In January of this year, 14 percent less diesel fuel and 16 percent less gasoline arrived at farm storage facilities than in January of last year. Stores of petroleum products at these enterprises as of 1 February were at a lower level than in previous years. Especially noticeable (40 percent lower as compared with 1 February 1992) was the reduced volume of diesel fuel.

The number of peasant (owner-operated) farms increased in January of this year. Their increase over the past month amounted to 16,000, whereas in October-December 1992 the monthly increase came to 10,000-11,000 farms. The total number of peasant farms as of 1 February 1993 was almost 200,000, with area of 8.4 million hectares (42 hectares per farm on average). In addition, 99 reindeer farms are operating in the northern regions over an area of 20.5 million hectares, 3 horse-breeding farms over an area of 59,000 hectares, and 24 game preserves covering an area of 831,000 hectares.

The role presently being played by peasant farms in agricultural production is not great. Last year private farmer produced 2 percent of the grain volume, 2 percent of the sugar beets, 5.7 percent of the sunflower crop, 0.8 percent of the potatoes and vegetables, 0.6 percent of the meat, and 0.4 percent of the milk.

Prices of Consumer Goods

In January of this year, the high rate of inflation characteristic of the final months of last year continued. Prices for consumer goods and services increased 27 percent as compared with December 1992, wholesale prices for industrial production—32 percent.

Unrestrained inflation has shifted the overwhelming bulk of the populace, especially pensioners, into the ranks of the needy, has devalued savings and made it foolish to accumulate funds in order to acquire durable goods.

[begin box] Prices of food products in January 1993 increased by 26 percent on the whole as compared with December of last year; meat, milk, and fish products increased 34-45 percent; flour, cereal and macaroni products, vegetables, and fruits—by 12-20 percent; bread and bakery products—by 7 percent. As compared with January 1992, prices for beef increased 6-fold, butter and eggs—8- to 9-fold, fish—13-fold, fresh milk, vegetable oil, and sugar—16- to 17-fold. [end box]

We continue to see further price increases in February. The weekly growth of prices for 70 basic food products from 2 through 9 February amounted to 3.6 percent, as opposed to 5.8 percent for the previous week. This was due mainly to a lowered rate of price increases at city markets. The greatest price increments were observed in cities of the Central-Chernozem (6.3 percent), and North-West (8.1 percent) regions; the least—in the Volga (2.2 percent) and North Caucasus (0.2 percent) regions.

Prices for milk in Cherepovets, Novgorod, Orekhovo-Zuyevo, Smolensk, Tula, and Yakutsk increased by more than 30 percent. This was also the case regarding beef in Severodvinsk, Vladimir, Murmansk, Samara, and Nakhodka, and for wheat bread made from highest grade flour in Kyzyl, Yakutsk, and Vladivostok.

There were practically no price changes over the week for 17 out of 70 food products surveyed.

The table below shows a comparison of prices for certain food products in retail trade as of 2 February 1993 in several capitals of the CIS countries.

In the city markets of Russia, there was practically no change in prices over the week—the increment amounted to 0.8 percent. In cities of the Volgo-Vyatskiy, Central-Chernozem, Volga, and North-Caucasus regions, the rate of price growth decreased by 7-11 percentage points as compared with the previous week. There was practically no change in prices for meat products, potatoes, and vegetables in more than half the cities surveyed. While average prices across Russia in the city markets were higher than in the retail trade; for meat products—50-60 percent higher, for dairy products—by a factor of 2-3.

	Grade 1 beef	Butter	Milk	Sugar	Potatoes
	(in rubles per kilogram, per liter)				
Yerevan	650	1,200	80	300	70
Minsk	110	240	6	120	39
Alma-Ata	341	326	30	196	30
Bishkek	-	617	23	230	32
Chisinau	550	860	3	73	32
Moscow	523	947	58	214	37
Dushanbe	180	509	6	175	22
Ashgabat	60	60	2	15	25
Tashkent	80	180	10	45	28

Since the beginning of the year, knitted articles and garments, footwear, and cultural and domestic use products became 40-50 percent more expensive. Prices for certain nonfood products as of 9 February were as follows: ladies' overcoat—R12,700, dress—R7,700, color television set—R105,400, refrigerator—R101,900.

City and Suburban Transportation

Over seven days—during the period 1 through 7 February of this year—over 15 percent of the scheduled trips in passenger ground transportation were not completed in 32 percent of cities (capitals of republics, kray and oblast centers). Applicable data for certain cities are as shown below.

	City transportation trips scheduled but not completed	
	Number	Percent
Cities in which 30 percent or more scheduled trips were not completed		
Groznyy	8,900	47
Astrakhan	9,900	39
Gorno-Altaysk	800	34
Makhachkala	4,800	32
Cities in which 20 to 30 percent of scheduled trips were not completed		
Moscow	228,300	28
Tver	8,100	26
Rostov-on-Don	31,100	24
Smolensk	5,200	24
Yuzhno-Sakhalinsk	1,600	24
Kaliningrad	5,100	22
Petropavlovsk-Kamchatskiy	3,800	22
Cherkessk	900	22
Vladikavkaz	5,200	21
Elista	1,500	21
Ufa	11,300	20
Cities in which 15-20 percent of scheduled trips were not completed		
Kyzyl	600	18
Voronezh	15,900	17
Novosibirsk	13,200	16
Ivanovo	7,600	16
Khabarovsk	4,500	16
Ulan-Ude	3,600	16
Tula	8,400	15
Orenburg	8,100	15
Blagoveshchensk	4,700	15

The most unsatisfactory performance with regard to suburban bus transportation this week was observed in Grozny (where 81 percent of scheduled trips, 1,000, were not completed), Makhachkala (58 percent, 1,400), Rostov-on-Don (27 percent, 1,100), and Novosibirsk (21 percent, 900).

The greatest number of canceled trips by suburban electric train over the period 1 through 7 February was observed in Orel (14 trips, 12 percent of those scheduled), Chelyabinsk (29 trips, 7 percent), Volgograd (35 trips, 4 percent), and Yekaterinburg (28 trips, 4 percent).

Construction

The situation at the start of 1993 with respect to formation of investment programs and workload of construction collectives for the current year remains adverse. The agreed-upon construction drive is essentially not being carried out due to the uncertainty of financing from centralized sources and funds from enterprises and client organizations in connection with exacerbated inflationary processes.

We continue to see destruction of the maneuverability of the construction complex along the horizontal axis as well. Joint-stock companies are exerting no influence on the construction situation. The mid-level management echelon (territorial construction associations, central administrations) has been almost totally eliminated. Trusts and other organizations on their level are being eliminated in many territories. Under these conditions, many facilities of the production base of the construction complex are being sold at low prices. Thus in Novgorod Oblast, the unfinished construction of the plaster partitions shop was sold, as were the unfinished shop for production of lightweight aggregate concrete blocks and production base of the Novgorod Reconstruction Trust of the former concern Rossevozapstroy to a branch of the joint-stock company Riga-Nams.

In all, 326 unfinished construction projects and enterprises were sold in 1992 for a total amount of R2.6 billion. More than half of the facilities sold were categorized as municipal property (56 percent), 38 percent—state property of territories of the Russian Federation, and only 6 percent—federal property.

The largest quantity of facilities sold are attributable to Moscow's share—85 (26 percent of the total number), their redemption value coming to R1.0 billion. In 24 territories, work to materialize unfinished construction projects was not begun.

In the overwhelming majority of instances, facilities in the social sphere are being sold (74 percent of those sold), and almost every other one is in the category of trade or public kitchens.

Of 326 unfinished construction facilities sold, 295 (90 percent) were newly erected projects, and 219 of these were temporarily closed down at the time of sale. More

than three-fourths of the facilities were closed down due to a lack of finances for continuing the construction.

[begin box] There have been cases where facilities are sold at which construction has not begun, where expenses for the unfinished project consisted only of exploratory and design work and allocation of land for the project. This practice was noted mainly in the city of Moscow, where 14 such projects and the allocated land parcels in prestigious areas of Moscow were sold for just R70 million total. [end box]

Work has not begun in the localities on organizing open investment trading sessions or auctions on a competitive basis. Substituting for these, as a rule, are closed buy-sell transactions between buyer and seller. Half of the facilities were sold at the original price because of this, and the remainder showed a minimal difference between original and final sale price.

Foreign Trade

[begin box] In January 1993 Russia's foreign trade turnover amounted to \$3.152 billion, a decrease of 32 percent as compared with January 1992, including exports amounting to \$2.201 billion (12-percent decrease) and imports of \$951 million (56 percent decrease). [end box]

Russia had a positive foreign trade balance in January 1993 in the amount of \$1.250 billion (in January 1992 there was a positive balance of \$318 million).

Some 6.0 million tonnes of petroleum (166 percent of the level of January of last year) were exported over the past month, 8.4 billion cubic meters of natural gas (125 percent), 703,000 tonnes of petroleum products (74 percent), 81,000 tonnes of coal (23 percent), and 312,000 tonnes of mineral fertilizers (56 percent). Exports of unprocessed timber, ferroalloys, and aluminum rose as compared with January of last year. There was a decrease in export shipments of iron ores and concentrates, coke and semi-coke, ammonia, sawn lumber, and cast iron.

[begin box] Exports of machinery, equipment, and transportation vehicles amounted to \$94 million, a reduction of half. Some 65 percent of the total January 1993 export volume was attributable to energy resources, 4.3 percent—to machinery and equipment. [end box]

In January 1993 fresh-frozen meats were imported in the amount of 8,400 tonnes, or less by a factor of 4 than for January 1992; citrus fruit crops—6,200 tonnes (21 percent less); apples—700 tonnes (less by a factor of 5.3); grains—629,000 tonnes (less by a factor of 3.1); medicines—valued at \$22.5 million (less by a factor of 10); leather footwear—547,000 pair (less by a factor of 7). Sharp decreases were also seen in import purchases of poultry, butter, coffee, tea, vegetable oils, fabrics, and clothing. Amounts of sugar imported, including raw sugar, were 41,000 tonnes, an increase of 70 percent.

Imported machinery and equipment totaled \$276 million, a 2.2-fold decrease. Machinery and equipment accounted for 29 percent of the total volume of imports.

Russia's main trading partners in January 1993 were the industrially developed countries, with whom trade turnover amounted to \$1.904 billion, a decrease of 29 percent. Their share of the Russian trade turnover volume was 60 percent. Turnover with the former CEMA countries amounted to \$745 million, a decrease of 31 percent; with the developing countries—\$269 million (54 percent); with Yugoslavia, China, the Korean People's Democratic Republic, and Laos—\$234 million (27 percent).

In 1992, \$14.4 billion in foreign currency was deposited to the hard currency accounts of foreign economic relations participants, including \$11.0 billion from the export of production output and services. Over this period they spent hard currency in the amount of \$11.2 billion. Taking into account the remainder as of the beginning of 1992 (\$2.7 billion), the accounts of enterprises and organizations held \$5.9 billion in hard currency as of 1 January 1993.

AKKOR Congress, Leader Air Views, Assess Problems

AKKOR's Bashmachnikov Views Reforms

934K0348A Moscow KRESTYANSKAYA ROSSIYA
in Russian No 5, 13 Feb 93 p 1

[Article by Vladimir Bashmachnikov, AKKOR president: "A Farmer From a Test Tube?"]

[Text] As is well known, the "higher spheres" have several views of how private farming should develop further. At one time the Federal Center for Agrarian Reform established under Russian Federation Vice-President A. Rutskoy invited us to participate in the drafting of the state program for the development of agrarian reform.

In discussions with other participants in this work we upheld the view on private farming developed by our association's previous congress. We categorically do not agree with the elitist version of the establishment of private farms, the essence of which is as follows:

All the funds allocated by the state for private farmers, including preferential credits, are concentrated in the largest monopolized land bank subordinate to the state. The bank transfers the bulk of these funds to powerful commercial organizations and places orders at converted enterprises, while they overallly equip farmsteads on a "turnkey" basis, then leasing them out to daredevil farmers with payment with products in instalments.

Of course, with such a version there will be no destitute farmers standing with outstretched hands at the doors of the Ministry of Finance. There will be few of them, but, on the other hand, true ones. There will be as many of them as the state pocket permits.

We often discussed this version with farmers during the year and some were prepared to receive such an expensive work place in ready form. Most often, however, farmers saw in this version a hidden trap and lifetime bondage to the builder owner. Most important of all, they saw in this version an obstacle to most peasants preventing them from testing their strength on their own field.

We propose that farm policy be based on a social approach, in which the creative person is the main factor, not on an engineering approach. The private farmer is an entrepreneur, not a hired worker. Let him with his own hands nurture, plan, build, and develop his farm as he sees it. We are advocates of a comparatively mass development of private farming, we are for natural selection. Incidentally, Minister of Agriculture Viktor Khlystun is in full agreement with us on this. He supports equal rights for all Russians to select the forms of management on land.

We came with such a position to our Fourth Congress, which was opened on 9 February.

Commentary on AKKOR Congress

934K0348B Moscow KRESTYANSKAYA ROSSIYA
in Russian No 6, 20 Feb 93 pp 1-2

[Article by Yelena Ishkova: "We Are Making a Noise, Fellows. Not For Nothing Are We Making a Noise"]

[Text] The past Fourth Congress of the Association of Peasant Farms and Cooperatives evoked contradictory comments. In their evaluations some newspapers and participants in the congress were ready to cite the immortal "We Are Making a Noise, Fellow, We Are Making a Noise." They said: So much effort and expense is not needed to talk once again about the troubles of free peasants and today no one will be surprised by requests for money addressed to the government. In the opinion of some eyewitnesses, the congress was reduced to this.

For example, farmer Fridrikh Timoshenko said in a reserved manner that the efficiency of the congress was not great. However, at least it was good that farmers had the opportunity to hear the "leadership's" opinion of themselves and to evaluate the positions. At the same time, Chernomyrdin both gained favor by promising support for private farmers and puzzled [the people] with his liking for sovkhozes and sovkhozes. Rutskoy stubbornly pursued his line for the establishment of a joint-stock state land bank. Khlystun, Agafonov, and other clever minds spoke.

On the other hand, farmers had the opportunity to express their attitude toward the positions of politicians and officials, which was also good. The participants in the congress did not at all appreciate the desire of the

same Aleksandr Rutskey to bestow favor on them by the establishment of a monopoly bank.

Viktor Chumak from Penza was much more categorical than his colleague. Farmers with a length of service do not need such congresses, because they do not touch upon the main problems. For example, no mention was made of any connection with point 10 of the government decree on measures of emergency support for the agro-industrial complex, which discusses a special fund for support for rural areas. Chumak believes that, giving kopecks from this fund, the state will take away thousands, because the proposed "agricultural tax" will be extended to rural producers.

Eduard Kostenko left the congress for Tver without the firm belief that land would not be taken away from him tomorrow. The question of exempting farmers' sons from military service, or replacing it with an alternative service on farms, which was important to him, was not raised. It looks as if two young workers in their association will be called up—there will be no one to work.

It is becoming ever more obvious that the contradiction lies in the very status of such an organization as AKKOR. It is unique. All kinds of unions of industrialists, entrepreneurs, lessees, and specialists in agrarian problems have nothing in common with it. Only AKKOR is simultaneously a public, professional organization and an economic one. Hence such a jumble of political and economic requirements both in the speeches of the participants and in the decisions of the congress.

Viktor Pashinin from Tambov tried to eliminate this duality. He called upon the congress to reserve purely political functions of a public organization to this organization and to establish an economic and financial formation under it. Some participants were ready to agree with the idea, when AKKOR President Vladimir Bashmachnikov made things clear: Such a duality is vitally necessary. If we are called a public organization, the government will allocate money through state structures. If we are called an economic organization, we will be forbidden to engage in politics and to defend farmers' interests. Therefore, Bashmachnikov explained, for now we are registered as a cooperative organization. However, since there is no law on cooperatives, the status will be vague. If there is a law, we will revise the charter; in brief, a distinctive AKKOR in a distinctive country.

I will not enumerate the decisions of the congress. They were quite specific and constructive as far as the status of the farmers' forum permits. I will share my impressions. After the Third Congress the farming movement grew noticeably, both numerically and intellectually. It would appear that during the year farmers understood who was who and the "process" of getting rid of big talkers and crooked politicians "was under way." Emotions began to be replaced with mature arguments. The inclination to fight gave way to the inclination to work. Of course, the congress did not directly affect the number of tractors or

the amount of seeds, brick, or gasoline available to farmers. All this will be only after government decrees. But, to be sure, the congress affected the fate of such decrees. They will be adopted.

Tools, Implements in Short Supply, Expensive

934K0348C Moscow SELSKAYA ZHIZN in Russian
20 Feb 93 p 2

[Article by Vladimir Sevastyanov: "Neither Shovels Nor Axes"]

[Text] I admit that Nikolay Ivanovich Malygin's letter put me in a difficult situation. To whom, to what body of authority, should I go with it? Who can know how many shovels, axes, rakes, hammers, forks, and vices are made in the country? No one. Local industry enterprises manufacture these so-called farm implements. Output is evaluated not in units, but in rubles; output worth such-and-such a sum was produced. But no one knows how many shovels, rakes, or hammers are squeezed into this sum.

However, in all fairness, we would like to note that during the recent period of stagnation in any city or village a person could always buy the implements that he needed. Even during the bumpy, phrase-mongering years of perestroyka they lay on store counters. And the price was ridiculously negligible. Take them and dig, plane, and chop to your heart's content!

It was understood that even with 100-percent mechanization and automation of production one could not manage without shovels, axes, hammers, or forks. Today, as 100 and 1,000 years ago, the horticulturist, the gardener, and the owner of a farmstead always need them. Even in a city apartment these implements are needed constantly.

Believe it or not, this is what we have come to: they are not available. To where have they disappeared? Everyone has the right to ask this. But, oh, how difficult it is to answer this head-on question. Some, for example, V. Kunitsyn, our reader from Penza Oblast, is sure:

"The shortage is due to the fact that we constantly say one thing, but do another.

"The following trait is observed in our country: our leadership likes very much to talk with the people about their well-being. But they, the people, are becoming poorer and poorer."

Others, among them pensioner F. Andreyev from Chelyabinsk, believe that the chaos reigning in the country is to blame for everything. It runs the show.

"Everyone does what he likes. Shovels and axes have disappeared from the market. No one wants to make them. Everyone demands computers!"

One can enumerate for a long time all kinds of reasons for the decline in the production of ordinary horticultural-garden, carpentry, and other implements, but will not get to the main one anyway. I think that it lies in the fact that the concrete person with his needs and anxieties has disappeared without a trace from the plans of the present reshapers of our life. Concern for man and his well-being adds nothing to the pockets of various entrepreneurs, cooperative workers, privatizers, and capitalizers. And if this is the case, why engage in unprofitable business? This is how it is!

There is no exaggeration or slander in this. If one walks through the same Moscow, St. Petersburg, Novosibirsk, and other stores, one will be convinced. And so, Nikolay Ivanovich Malygin wrote everything correctly. He invented nothing.

I also followed his example and visited several Moscow farm stores. I was interested primarily in the availability of goods and their cost. And so, a store on Shestayaya Kozhukhovskaya Street. There is a small selection of horticultural and garden implements. Shovels without handles cost 95 rubles and manual cultivators, 78 rubles. There are no rakes, forks, or axes. The salesmen told me that they were available very rarely. They cost 100 to 120 rubles.

Then I visited stores on Butyrskaya Street, Izmaylovskiy Prospekt, and Tsvetnyy Boulevard. The picture was approximately the same. There were few implements. The prices were exorbitant. I was struck by the fact that imported screw drivers were sold at 3,000 to 5,000 rubles each.

Yes, these everyday facts make one ponder. All right, our plants do not yet produce much small machinery. In order to saturate the market with it, it will be necessary to reequip production and to build new shops... But why are there no shovels, axes, forks, or rakes? After all, it seems that they have never been in short supply. The following thought involuntarily creeps in: Is this the life that we are building for ourselves and our children?

Federation Law on Fundamentals of Tax System

935D0281A Moscow DELOVOY MIR in Russian
13 Feb 93 pp 11-12

[Changes and amendments to Russian Federation law, "On Fundamentals of the Tax System in the Russian Federation." Added text is presented in *italics*. Text deleted from original version is presented in brackets: [delete: "..."]

[Text] *On 22 December 1992, the Russian Federation Supreme Soviet adopted the law, "On Introducing Changes and Amendments to Certain Russian Federation Tax Laws." We are continuing the publication of these laws in their new edition. (Official publication: VEDOMOSTI Russian Federation Congress of People's Duties and Russian Federation Supreme Soviet 1992, No 11, p 527; In the edition of the RF law of 16 July 1992, No 3317-1,*

VEDOMOSTI Russian Federation Congress of People's Deputies and Russian Federation Supreme Soviet 1992, No 34, p 1976; in the edition of the RF law of 22 December 1992, No 4178-1.)

This law determines the general principles of the structure of the tax system in the Russian Federation, taxes, charges, duty, and other payments and also the rights, obligations, and responsibility of the taxpayers and tax authorities.

Chapter I

GENERAL PROVISIONS

Article 1. Establishment and abolition of taxes and other payments

Taxes, charges, duty, and other payments and also tax privileges for the taxpayers are established and abolished by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law.

Laws involving a change in the amounts of tax payments are not retroactive.

Organs of state power of national-state, national- and administrative-territorial formations may grant additional taxation privileges only within the limits of the sums of taxes credited to their budgets in accordance with Russian Federation legislation.

Article 2. The concept of tax, other payment and the tax system

By tax, charge, duty and other payment is understood the compulsory payment into the budget of the corresponding level or into an outside-of-budget fund by the taxpayers in the procedure and on the terms determined by legislative instruments.

The sum total of taxes, charges, duty, and other payments (hence forward, taxes) levied in the established procedure forms the tax system.

Article 3. Payers of taxes

Legal persons, other categories of taxpayers, and individuals who, in accordance with legislative instruments, are required to pay taxes are payers of taxes.

The payers of taxes specified in this article are hence forward called taxpayers.

Article 4. Requirement for registration of the taxpayer

Taxpayers are to be compulsorily registered with authorities of the State Tax Service of the Russian Federation (hence forward, tax authorities). Banks and credit institutions here open settlement and other accounts for the taxpayers only upon their presentation of a document confirming registration with a tax authority and notify this authority within a five-day period of the opening of the said accounts.

For failure to fulfill the indicated requirements, administrative fines are levied against managers of banks and credit institutions, in the amount of five times the amount of minimal monthly wage established by law.

Article 5. Taxable objects

Income (profit), the value of particular commodities, individual types of taxpayer activity, securities transactions, the use of natural resources, the property of legal persons and individuals, the transfer of property, the value added to a product, jobs of work and services, and other objects established by legislative instruments are taxable objects.

Article 6. The one-time principle of taxation

One and the same object may be subjected to tax of the same type only once in the taxable period determined by law.

Article 7. Procedure for establishing the tax rate

The rate of excise tax excepted, the rate of tax is established by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law.

Article 8. Procedure for approval of the rate of excise tax

The rate of excise tax on individual types and groups of commodities determined by the Supreme Soviet of the Russian Federation is approved by the Russian Federation Government.

Article 9. Distribution of the tax monies among budgets of various levels

Tax receipts are entered in budgets of various levels and outside-of-budget funds in the procedure and on the terms determined by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law and other legislative instruments.

Article 10. Tax privileges

The following tax privileges may be established in the procedure and on the terms determined by legislative instruments:

- the general exemption limit for an object of tax;
- the exemption from taxation of particular components of an object of tax;
- the exemption from the payment of taxes of particular individuals or categories of taxpayers;
- a lowering of the rate of tax;
- deductions from tax (from the tax payment for the period of account);
- specific tax privileges, including tax credit (deferment of the collection of taxes);
- miscellaneous tax privileges.

All tax privileges are applied only in accordance with the effective legislation.

Granting of tax privileges which bear an individual character is prohibited, unless otherwise specified by legislative statutes of the Russian Federation.

Article 11. Obligations of the taxpayer

1. The taxpayer is required:

- to pay taxes in a timely manner and in full amount;
- to keep records and compile accounts of financial and economic activity, ensuring their safekeeping for no fewer than five years;
- to present the tax authorities with the documents and information necessary for the computation and payment of taxes;
- to rectify accounts in the amount of the sum total of concealed or underreported income (profit) revealed by audits of the tax authorities;
- in the event of disagreement with the facts set forth in the record of the audit conducted by the tax authority, to submit in writing explanations for the reasons for the refusal to sign this record;
- to comply with the requirements of the tax authority concerning the elimination of violations of tax legislation which have been revealed;

in the case of liquidation (reorganization) of a legal person at the decision of the owner (agency authorized by him) or at the decision of the court, to report to the tax authorities within a 10-day period regarding the adopted decision on liquidation (reorganization);

other requirements.

Obligations of a taxpayer arise when he has a taxable object and on the grounds established by legislative instruments.

For the purpose of determining a taxpayer's obligations, legislative instruments establish and determine:

- the taxpayer (taxable subject);
- the object and source of tax;
- the unit of taxation;

- the tax rate (rate of imposition of tax);
- the timeframe for the payment of tax;
- the budget or outside-of-budget fund in which the tax is entered.

2. The obligation of an individual to pay tax is terminated by his payment of the tax and the abolition of the tax and also by the death of the taxpayer, given the impossibility of the payment of tax without his personal participation, unless otherwise specified by legislative instruments.

3. The obligation of a legal person to pay tax is terminated by its payment of the tax or abolition of the tax. The impossibility of payment of tax constitutes grounds for recognition in the procedure established by law of the legal person engaging in entrepreneurial activity as bankrupt. In the event of the liquidation of a legal person in legal form or in accordance with a decision of the proprietor, the obligation in respect to payment of the tax arrears is entrusted to the liquidation commission.

4. In the event of a taxpayer failing to comply with his obligations, provision is made for compliance therewith by measures of administrative and criminal liability and tax penalties in accordance with this law and other legislative instruments and also a deposit of monetary and commodity-material assets and the surety or guarantee of the taxpayer's creditors.

Article 12. Rights of the taxpayer

The taxpayer has the right:

- to invoke privileges on payment of taxes on the basis of and in accordance with the procedure established by legislative statutes;
- to present to the tax authorities documents confirming his right to tax privileges;
- to familiarize himself with the records of an audit conducted by the tax authorities;
- to present to the tax authorities explanations in respect to the computation and payment of tax and in respect to audits which have been conducted;
- to appeal in the procedure established by law decisions of the tax authorities and actions of their officials and other rights established by legislative instruments.

Article 13. Liability of the taxpayer for a violation of tax legislation

1. A taxpayer who has violated tax legislation is liable in the instances established by law in the form of:

a) recovery of the sum total of the concealed or underreported income (profit) and the sum total of tax for some concealed or uncounted taxable object and a fine in the amount of that same sum, and upon a repeat offense, the corresponding amount and a fine double this sum. If

the court establishes the deliberate concealment or underreporting of income (profit), a fine five times the amount of the concealed or underreported amount of income (profit) paid into the federal budget may be imposed by verdict or ruling of the court in respect to an action brought by the tax authority or the prosecutor.

[Delete: "b) a fine in the amount of 10 percent of the amounts of tax owing for the last accounting quarter directly preceding the audit in respect to each of the following types of violations:

- absence of records pertaining to a taxable object;
- maintenance of records of a taxable object flagrantly in violation of the established procedure entailing the concealment or lowering of the amount of tax for the auditing period of not less than five percent of the amount of tax due for the last reporting quarter;
- nonpresentation or the tardy presentation of documents necessary for the computation and payment of tax;"]

b) a fine for each of the following violations:

—absence of records on taxable objects and maintenance of records of a taxable object in violation of the established procedure, entailing the concealment or underreporting of income for the audit period—in the amount of 10 percent of computed sums of tax;

—non-filing or late filing with the tax agency of documents necessary for the computation, as well as for the payment of tax—in the amount of 10 percent of the sum of tax payable at the regular term;

c) the collection of a penalty from the taxpayer in the event of late payment of tax in the amount of [delete: "0.2"] 0.3 percent of the unpaid amount of tax for each day of default in payment as of the established date for payment of the amount of tax shown to be in default, unless other amounts of the penalty are specified by law. Exaction of the penalty does not exempt the taxpayer from other types of liability;

d) other sanctions specified by legislative instruments.

Arrears in respect to taxes and other compulsory payments and also the amounts of fines and other sanctions specified by legislation are exacted from legal persons compulsorily, and from individuals, in legal form. Arrears are exacted from individuals on the income they have received, and in the event of the absence of such, on these persons' assets.

2. Administrative, criminal, and disciplinary proceedings are instituted in the procedure established by law against officials and citizens guilty of a violation of tax legislation.

3. The forms of responsibility specified by this article in respect to the given tax are not applied to legal persons and individuals who have been exempted from payment of the tax.

Article 14. Rights of the tax authorities and their officials

1. The tax authorities have the right:

a) to petition in the established procedure for a ban on entrepreneurial activity;

b) to bring suit in a court of law or court of arbitration:

—for the liquidation of enterprises on the grounds established by legislation of the Russian Federation;

—for the recognition of deals as null and void and the recovery as state revenue of the sum total obtained in respect to such deals;

—for the recovery of sums acquired unjustifiably not from a deal but as a result of unlawful actions;

for the recognition of enterprises as being invalid in cases of violation of the established procedure for creation of an enterprise or non-compliance of constituent documents with the legislative requirements, and for recovery of income obtained by these enterprises;

c) other rights specified by legislation.

2. Officials of the tax authorities have the right in the procedure established by legislation:

a) to inspect all documents connected with the computation and payment of taxes and to obtain the necessary explanations, information and data on questions arising at the time of audits;

b) to examine all production, warehouse, commercial and other premises of the taxpayers used to derive income (profit) or connected with the custody of taxable objects, regardless of their location. In the event of an individual refusing to admit officials of a tax authority to examine premises used to derive income (profit) or of his failure to present the documents necessary for the calculation of taxes, taxable income is determined by the tax authorities on the basis of income from similar types of entrepreneurial activity;

c) to suspend taxpayers' transactions in respect to accounts in banks and credit institutions in instances of the nonpresentation of documents connected with the computation and payment of taxes;

The rights specified in subpoints "c" and "d" of the present point are granted to directors and deputy directors of state tax inspections, and are realized by means of adoption of appropriate decrees.

d) to impose on the managers of banks and credit institutions and also financial bodies administrative fines in the event of a failure to comply with the instructions of the tax authorities;

e) to confiscate from the taxpayers documents testifying to the concealment or underreporting of income (profit) or the concealment of other objects from taxation with the simultaneous inspection of the documents and determination of their content;

f) to obtain without remuneration from all legal persons the data necessary for the computation of the payers' tax payments;

g) other rights specified by legislative instruments.

Article 15. Obligations of banks, credit institutions, and enterprises

Banks, credit institutions, exchanges, and other enterprises are required to present to the appropriate tax authorities data on the financial and economic transactions of the taxpayers who are clients of these institutions and enterprises in the past fiscal year in the procedure established by the Ministry of Economy and Finances of the Russian Federation.

In the event of a failure to present such data, the managers of the said institutions and enterprises are held administratively liable in the form of a fine in the amount of five times the minimum monthly remuneration established by law for each week that they are in default.

Banks and credit institutions are prohibited from delaying compliance with taxpayers' instructions for the transfer of taxes to the budget or an outside-of-budget fund and from using the amounts of tax not transferred as credit resources. In the event of the establishment of such facts, the tax authority exacts the income received by these institutions as federal budget revenue, with the managers of these institutions being held administratively liable in the form of a fine in the amount of five times the amount of the minimum monthly remuneration established by law.

In the event of the noncompliance (delayed compliance) through the fault of a bank or credit institution with a taxpayer's payment instruction, a penalty on the order of 0.2 percent of the unpaid amount of tax is exacted in the established procedure from this institution for each day that it is in default as of the established data for payment of the ascertained amount of tax which has been held back. The imposition of a penalty does not exempt the bank or credit institution from other types of liability.

Enterprises are required to correctly withhold tax on income which they pay to individuals and opportunistically transfer the amounts withheld to the treasury. In the event of a failure to comply with the said requirements, [delete: "these enterprises are held liable in the procedure established by legislative instruments of the Russian Federation."] *the managers of these enterprises are held administratively responsible in the form of a fine in the amount of five times the amount of the minimal monthly remuneration established by law.*

The enterprises must, prior to the payment due date, submit a payment authorization to the appropriate banking institutions for transfer of taxes to the budget or to out-of-budget funds. The indicated payment authorizations are fulfilled by the banks and credit institutions in first priority order.

No fees are collected for services provided to legal persons and individuals on such operations.

Article 16. Obligations and liability of the tax authorities

The tax authorities and their employees are required to preserve commercial secrecy and the secrecy of information concerning individuals' deposits and exercise other obligations specified by the [delete: "RSFSR"] *Russian Federation* law, "The State Tax Service of the [delete: "RSFSR"] *Russian Federation*."

Loss (including lost profit) caused the taxpayers as a consequence of the improper exercise by the tax authorities and their employees of the obligations entrusted to them is subject to restitution in the established procedure. In addition, the tax authorities and their employees may be held otherwise liable as specified by legislative instruments of the Russian Federation.

Each month, the tax authorities present to the financial agencies information on the actually received sums of tax and other payments credited to the budget.

The tax authorities, in conjunction with the finance agencies, implement control over fulfillment of the income portion of the budget.

Article 17. Defense of the rights and interests of the taxpayers and the state

The rights and interests of the taxpayers and the state are defended in legal form or otherwise as specified by legislative instruments of the Russian Federation.

Chapter II.

TYPES OF TAXES AND JURISDICTION OF ORGANS OF STATE POWER

Article 18. Types of taxes raised on the territory of the Russian Federation

1. The following are levied in the Russian Federation:

- a) federal taxes;
- b) taxes of republics within the Russian Federation and taxes of krais, oblasts, the autonomous oblasts and autonomous okrugs;
- c) local taxes.

2. The jurisdiction of the organs of state power when tax issues are being decided is determined in accordance with this law and other legislative instruments.

Organs of state power of all levels do not have the right to introduce additional taxes and mandatory deductions

which are not specified by Russian Federation legislation, nor can they increase the rates of established taxes and tax payments.

Article 19. Federal taxes

1. The following pertain to federal taxes:

- a) value-added tax;
- b) excise on individual groups and types of commodities;
- c) a tax on banks' revenue;
- d) a tax on the income from insurance activity;
- e) a tax on exchange activity (exchange tax);
- f) a tax on securities transactions;
- g) customs duty;
- h) allocations for the reproduction of the mineral-raw material base paid into a special outside-of-budget fund of the Russian Federation;
- i) payments for the use of natural resources entered in the federal budget, the republic budget of a republic within the Russian Federation, kray and oblast budgets of krais and oblasts, the oblast budget of the autonomous oblast, okrug budgets of the autonomous okrugs and rayon budgets of rayons in the procedure and on the terms specified by legislative instruments of the Russian Federation;
- j) income tax (profits tax) from enterprises;
- k) income tax from individuals;
- l) taxes serving as the sources of the formation of highway funds paid into these funds in the procedure determined by legislative instruments concerning highway funds in the Russian Federation
- m) stamp duty;
- n) [delete: "stamp tax"] *state duty*;
- o) a tax on property transferred by way of inheritance and deed of gift.

p) a fee for using the names, "Russia," "Russian Federation," and words and word combinations based on them.

2. All sums of receipts from the taxes specified in clause 1, subclauses "a" - "g" and "p" of this article are paid into the federal budget.

3. The taxes specified in clause 1, subclauses "j" and "k" of this article are control revenue sources, and the amounts of the allocations in respect to them paid directly into the republic budget of a republic within the Russian Federation, the kray and oblast budgets of the krais and oblasts, the oblast budget of the autonomous oblast, the okrug budgets of the autonomous okrugs and the budgets of other levels are determined upon the approval of the republic budget of a republic within the

Russian Federation, the kray and oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast, and the okrug budgets of the autonomous okrugs.

4. All sums of receipts from the taxes specified in clause 1, subclauses "m" - "o" of this article are entered in the local budget in the procedure determined upon approval of the corresponding budgets, unless otherwise established by law.

5. Federal taxes (including the extent of the rate thereof, taxable objects, and the payers of taxes) and the procedure of their payment into the budget or an outside-of-budget fund are established by legislative instruments of the Russian Federation and are levied throughout its territory.

Article 20. Taxes of republics within the Russian Federation and taxes of krays, oblasts, the autonomous oblast and autonomous okrugs

1. The following taxes pertain to the taxes of republics within the Russian Federation, krays, oblasts, the autonomous oblast, and autonomous okrugs:

a) a tax on enterprise assets. The sum total of payments in respect to the tax are entered in equal proportions in the republic budget of a republic within the Russian Federation, the kray and oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast, the okrug budgets of the autonomous okrugs, and the rayon budgets of the rayons and city budgets of the cities in accordance with the location of the payer;

b) forest revenue;

c) the charge for water drawn by industrial enterprises from water-management systems;

d) the fee for needs of educational institutions collected from legal persons.

The sums of payment of these collections are credited to the republic budget of the republic within the Russian Federation, the kray or oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast and the okrug budgets of the autonomous okrugs, and are used as special-purpose funds for supplemental financing of educational institutions.

2. The taxes specified in clause 1, subclauses "a," "b," and "c" of this article are established by legislative instruments of the Russian Federation and are levied throughout its territory. The actual rate of these taxes here is determined by the laws of the republics within the Russian Federation or decisions of the organs of state power of the krays, oblasts, the autonomous oblast, and the autonomous okrugs, unless otherwise established by legislative instruments of the Russian Federation.

The tax indicated in clause 1, subclause "d" of this article is established by legislative statutes of the republics within the Russian Federation, by decisions of the organs of state

power of the krays, oblasts, autonomous oblast and autonomous okrugs. The rates of this tax may not exceed the amount of one percent of the annual wage fund of enterprises, institutions and organizations located on the territory of the republics within the Russian Federation, krays, oblasts, autonomous oblast and autonomous okrugs.

Article 21. Local taxes

1. The following pertain to local taxes:

a) Tax on the assets of individuals: The sum total of payments in respect to the tax is entered in the local budget in accordance with the location (place of registration) of the taxable object;

b) land tax: The procedure of payment of the receipts in respect to the tax into the corresponding budget is determined by land legislation;

c) registration fee from individuals engaging in entrepreneurial activity: The sum total of the fee is paid into the budget in accordance with the place where they are registered;

d) tax on the construction of production facilities in a resort zone;

e) resort tax;

f) a fee for the right to trade. The fee is established by rayon, city (without rayon division), rayon (in a city), community and rural [delete: "organs of state power"] *representative organs of power—the local Soviets of People's Deputies*. The fee is paid by way of the acquisition of a single-issue voucher or temporary patent and is entered in the corresponding budget in full;

g) special taxes on citizens and enterprises, establishments and organizations, regardless of their organizational-legal forms, for the support of a militia, the upkeep and tending of grounds, for needs of education, and other purposes.

The annual rate of the fees may not exceed the amount of [delete: "one"] *three* percent of the 12 amounts of minimum monthly remuneration established by law for an individual, and for a legal person, the amount of one percent of the annual payroll calculated on the basis of the amount of minimum monthly remuneration established by law.

The rate in cities and rayons is established by the corresponding [delete: "organs of state power"] *representative organs of power—the local Soviets of people's Deputies*, and in communities and rural localities, at meetings and assemblies of the inhabitants;

h) advertising tax: The tax is paid by legal persons and individuals advertising their wares at a rate not exceeding five percent of the cost of the advertising services;

i) tax on the resale of motor vehicles, calculating equipment, and personal computers: The tax is paid by legal persons and individuals reselling the said commodities at a rate not exceeding 10 percent of the sum total of the deal;

j) fee from dog owners: The fee is paid by individuals with dogs in cities (except official work dogs) in an amount not in excess of one-seventh of the amount of the minimum monthly remuneration established by law per annum;

k) license fee for the right to sell wine and vodka products: The fee is paid by legal persons and individuals selling wine and vodka products to the public in the following amounts—by legal persons, the amount of the minimum monthly remuneration established by law times 50 per annum; by individuals, the minimum monthly remuneration established by law times 25 per annum. Given the sale by the above from temporary outlets serving parties, dances, outdoor festivals and activities, half the amount of the minimum monthly remuneration established by law per day of trading;

l) license fee for the right to conduct local public auctions and lotteries: The fee is paid by their organizers in an amount not exceeding 10 percent of the value of the commodities declared for auction or of the amount for which the lottery tickets are sold;

m) charge for the issuance of an apartment voucher: The charge is paid by individuals when they obtain the right to take up residence in a self-contained apartment in an amount not exceeding three-fourths of the amount of the minimum monthly remuneration established by law, depending on the total area and quality of the residential accommodation;

n) parking fee: The fee is paid by legal persons and individuals for parking motor vehicles in areas specifically laid out for this purpose in amounts established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

o) a charge for the right to use local symbols. The charge is paid by the manufacturers of products on which local symbols (coats of arms, views of cities, localities, historical monuments and such) are employed in an amount not exceeding 0.5 percent of the cost of the product for sale;

p) fee for participation in horse racing: The fee is paid by legal persons and individuals entering their horses for contests of a commercial nature in amounts established by the local organs of state power on whose territory the racetrack is located;

q) tax on race winnings: The tax is paid by persons with parimutuel winnings at the racetrack in an amount not exceeding five percent of the total winnings;

r) tax on persons participating in parimutuel wagering at the racetrack. The tax is paid in the form of a percentage surcharge on top of the established wagering charge in an amount not exceeding five percent of this charge;

s) tax on deals struck at exchanges, except for deals specified by legislative instruments governing the taxation of securities transactions: The tax is paid by the parties to a deal in an amount not exceeding 0.1 percent of the sum total of the deal;

t) fee for the right to engage in motion-picture shooting and telephotography: the fee is paid by commercial motion-picture and television organizations making films requiring of the local organs of state administration organizational measures (assignment of militia details, the cordoning off of the shooting area and such) in amounts established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

u) charge for the cleaning of the grounds of localities: The charge is paid by legal persons and individuals (owners of buildings) in an amount established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

v) *fee for opening a gaming business (installation of gaming machines and other equipment with material or monetary winnings, card tables, roulette wheels and other gaming devices). The payers of this fee are legal persons and individuals who are owners of the said means and equipment, regardless of the place of their installation. The rate of the fee and the procedure for its collection are established by the representative organs of power—the local Soviets of People's Deputies.*

w) *tax on maintenance of housing fund and facilities in the social-cultural sphere in an amount not to exceed 1.5 percent of the volume of products (work, services) produced by the legal persons located on the corresponding territory.*

Specific rates of the tax and the procedure for its collection are established by the representative organs of power—the local Soviets of People's Deputies.

In computing the sum of this tax, exclusion is made for the expenditures of enterprises and organizations, computed based on standards established by the local Soviets of People's Deputies, for maintenance of the housing fund and facilities of the social-cultural sphere held on the balance sheets of these enterprises and organizations or financed by them in the order of share participation.

2. The taxes specified in clause 1, subclauses "a" - "c" of this article are established by legislative instruments of the Russian Federation and levied throughout its territory. The actual rate of these taxes here is determined by legislative instruments of the republics within the Russian Federation or decisions of the organs of state power of the krais, oblasts, the autonomous oblast, autonomous okrugs, rayons, cities and other administrative-territorial formations, unless otherwise specified by a legislative instrument of the Russian Federation.

3. The taxes specified in clause 1, subclauses "d" and "e" of this article may be introduced by rayon and city organs of state power on whose territory the resort

locality is located. The sum totals of tax payments are entered in the rayon budgets of the rayons and the city budgets of the cities.

In a rural locality the sum total of tax payments is entered in equal proportions in the budgets of rural localities, communities, cities of rayon jurisdiction, and in the rayon budgets of rayons and kray and oblast budgets of krays and oblasts on whose territory the resort locality is situated.

The taxes and charges specified in clause 1, subclauses "h" - "u" of this article may be established by decisions of rayon and city [delete: "organs of state power"] *representative organs of power—local Soviets of People's Deputies*.

The sum total of payments in respect to the taxes and charges are entered in the rayon budgets of rayons and city budgets of cities or, in accordance with a decision of the rayon and city [delete: "organs of state power"] *representative organs of power—local Soviets of People's Deputies*, in the rayon budgets of rayons (in cities) and budgets of communities and rural localities.

5. *Expenditures of enterprises and organizations for payment of taxes and fees indicated in subclauses "g," "h," "n," "f," "u," and "w" of clause 1 of this article are related to financial results of the activity of the enterprises; of the land tax—to the production cost of the products (work, services), and other local taxes and fees are paid by the enterprises and organizations from the part of the profits remaining after payment of tax on profit (income).*

Chapter III.

FINAL PROVISIONS

Article 22. Procedure for the payment of taxes

The tax on the income (profit) of a legal person which is, in accordance with legislation, the source of several taxes is paid in the following procedure:

- all property taxes, dues and other payments are paid in accordance with legislative instruments;
- a taxpayer's taxable income (profit) diminishes by the amount of the taxes paid in accordance with paragraph two of this article, [delete: "after which local taxes payable from income (profit), if such are levied, are paid"] *after which local taxes are paid, whose payment expenditures, in accordance with point 5, Article 21 of the law, are related to the financial results of activity;*
- a taxpayer's taxable income (profit) diminishes by the amount of the paid local taxes specified in paragraph three of this article, after which all other taxes payable from income (profit) are paid;
- income tax (tax on profits) is paid from the income (profit) remaining following the payment of the taxes specified in this article.

Individuals pay taxes in the procedure established by legislation of the Russian Federation, *unless otherwise specified by law.*

Article 23. International agreements

1. The Russian Federation Government participates in the coordination of tax policy with the other states which are members of the Commonwealth of Independent States and also concludes international tax agreements on the avoidance (elimination) of dual taxation with the subsequent ratification of these agreements by the Supreme Soviet of the Russian Federation.

2. If international treaties of the [delete: "RSFSR"] *Russian Federation* or the former USSR establish rules different to those which are contained in legislation of the Russian Federation governing taxation, the rules of the international treaty apply.

Article 24. Control of the levying of taxes

Control of the correctness and timeliness of the raising of taxes for the treasury is exercised by the tax authority in accordance with the [delete: "RSFSR"] *Russian Federation* law, "State Tax Service of the [delete: "RSFSR"] *Russian Federation*" and other legislative instruments.

The period of limitation in respect to claims made against individuals for the recovery of taxes for the treasury constitutes three years. The compulsory procedure of the exaction of tax arrears from legal persons may be applied for a period of six years since the time of formation of the said arrears.

Postponements and installment plans for payment of taxes to the republic budget of the Russian Federation are granted by the Russian Federation Ministry of Finance, and for payments to other budgets—by the corresponding financial organs in accordance with the procedure specified by the legislation, with notice of the adopted decisions given to the tax authorities.

Article 25. Publication of methods guides

Sets of instructions and methods guides pertaining to the application of tax legislation are published by the State Tax Service of the Russian Federation upon concordance with the Ministry of Economy and Finances of the Russian Federation.

Article 26. Tax reform

The system of taxation will operate unchanged up to the adoption by the Supreme Soviet of the Russian Federation of a special decision on tax reform in accordance with the [delete: "RSFSR"] *Russian Federation* law, "Fundamentals of the Budget Arrangement and Budget Process in the [delete: "RSFSR"] *Russian Federation*."

[Signed] B. Yeltsin, president of the Russian Federation
Moscow, House of Soviets of Russia
27 December 1991
No. 2118-1

Mafia Smuggles Illegals from Russia to West

934E0247A Moscow MOSCOW NEWS in English
No 8, 18 Feb 93 p 12

[Article by Igor Baranovsky: "Smuggled Foreigners":
"Over 250,000 Foreigners Have Been Shipped to
Western Europe and America in Recent Years Through
Russia"]

[Text]

Not Everything Is Quiet in the State of Denmark

There was a minor commotion in the Russian Foreign Ministry at the end of 1992. It all started with a not quite usual verbal note from the Danish Embassy. It concerned something that would be unthinkable before. On a dark, foggy night a vessel without identification marks had landed on the Danish island Bornholm 129 Kurds and... evaporated. The detained Kurds had neither passports nor, naturally, entry visas. The only thing they possessed was an ardent desire to change climate and to settle in the prosperous, although coldish country. It transpired that the passportless people found themselves on the practically uninhabited island after a long and dangerous itinerary: Iraq, Jordan, Turkey, Moscow, Tallinn, and Bornholm.

It also transpired, however, that the Danish incident is by no means unique. The immigration services of the USA, Canada, Finland, Sweden and Norway have more than once expressed their resentment in connection with uncontrolled movement of foreigners inside Russia and their departure from it. In one case an attempt was made to airlift by helicopter visaless Indians from the territory of the former USSR to Germany. More than once the penetrability of our borders was checked by groups of 30-40 Pakistanis, Kurds and Assyrians who tried to enter neighboring states along smugglers' paths, but were staunchly rebuffed by Polish, Hungarian and Finnish border guards.

The Great Migration

When we removed from our door a monstrously heavy padlock which locked our borders for 70 years we forgot to put in its place at least a latch. This negligence will evidently cost dearly both to us and our neighbors.

Specialists of the Russian ministries of Security and the Interior say that this great migration may lead in the very near future to major international complications. In 1992 Germany alone received about 440,000 foreigners requesting to be granted the status of a political or economic refugee. More than half of them had entered Germany illegally, and some were from Russia. It is even easier to enter Russia.

To Enter Russia

It may seem strange, but this new business is commanded by people from South-East Asia and Iraq who have built a real network of agents on Russia's territory.

The numerical strength of this international syndicate is variously estimated at two to five thousand. There is good reason to believe that among its members are, along with foreigners, also, Russian border guards, employees of Aeroflot and of consular offices. But all important reins of smuggling people are firmly held by foreigners.

The Security Ministry knows that this business, like any other solid undertaking, has a rigid organizational structure. Hundreds of recruiters in Karachi, Madras, Calcutta, Katmandu and Colombo knock together groups of their fellow countrymen wishing to settle in Western Europe and America. Then they are shipped to Russia on private invitations and with forged visas. They pay 500-1,000 dollars for the right to enter Russia as tourists. This isn't hard to do, since the Russian consular service has registered 788 tourist firms which have the right of visa support. Some of them participate, sometimes unwittingly but very often quite willingly, in the streamlined process of smuggling foreigners.

The same vigorous work as in South Asia is going on in the Middle East. Damascus is the center of this activity where Iraqis, Iranians, Kurds and Assyrians are provided with false passports of Saudi Arabia, Bahrain, Tunis and Morocco to reduce the danger of detention at border checkpoints and, of course, with Russian visas. Sometimes they are false, and sometimes real ones can be obtained for 300-700 dollars. This practically opens the road to Russia.

A Leap to Europe

It is much easier, of course, to enter Russia nowadays than to leave it for the West. But one can very well try to perform the intricate operation on payment of another 2,500-3,000 dollars. This sum is ridiculously small by Western standards. This is guaranteed to the countrymen at home by "recruiting sergeants" from the international people-smuggling syndicate. Its agents take over foreigners smuggled into Russia. All this takes time. But rich "travellers" can always raise rates to 5,000-10,000 dollars to speed things up and so have to stay in Russia for only 2-3 weeks.

Since most phony travellers have no money to give large bribes many of them who have entered Russia became "illegals" who live with expired visas or even without any documents, awaiting the happy chance to go abroad.

But these figures are arbitrary, since there can be no reliable statistics in such a delicate matter. They are waiting for a courier who will bring from Hong Kong, Calcutta or Damascus forged passports and visas which are usually manufactured abroad. Once such liaison man was recently detained on his way from Moscow's Airport Sheremetyevo-1 to St. Petersburg. He was a citizen of Sri Lanka and his alleged name was Rajin. His voluminous

leather bag contained about 30 blanks of foreign passports and several dozen visa blanks—German, Norwegian, Danish and Swedish and also many stamps and clichés necessary for turning the blanks into “genuine” documents. Rajin himself had permissions to enter seven or eight foreign countries with his documents.

Thus the arrest of just one messenger put off the stay in Russia for dozens of foreigners by many months. Thousands of them have to stay unwillingly in Russia for years.

A New Babel

If developments continue at such a rate, says Colonel Igor Khromov, head of the 12th division of the Main Department of Criminal Investigation of the Russian Interior Ministry, Moscow will soon have Somalian, Indian and Chinese quarters, with all the ensuing consequences; increasingly more “illegals” unable to provide for themselves honestly will enter the criminal path.

The flood of visa-less foreign travellers brings also people with a very doubtful criminal past. For instance, 35 criminals were detained in the Russian Federation during a raid conducted by the Russian and Mongolian special services last year. All of them were hiding on our territory from the law enforcement agencies of the neighboring state. A unique episode for our investigators took place recently when three Chinese men took hostage in Moscow their fellow countryman, businessman U Shi Hi. They demanded that his wife pay 100,000 dollars for his life. All of them were arrested.

Drug traffic has also begun across Russia's territory via a living bridge. Natalya Voronina, deputy chief of the federal migration service of Russia, says that this causes grave concern on the part of her Scandinavian and German colleagues. There is evidence that the same well-trodden path is used to take to the West white slaves, i.e., girls of entertainment establishments.

Still another problem is the absence of elementary medical control of the health of people arriving in our country. When 240 Somalians living in the “Serebryanka” holiday home near Moscow were subjected to a medical checkup, ten were found to have tuberculosis, 14 a rare skin disease of tropical origin, three had galloping consumption, and four had just recovered from malaria. A few days ago a Sri Lankan suffering from AIDS was discovered at the Moscow satellite town Khimki. Two of his friends are now being examined. What is going on in the immense anti-sanitary cauldron in which “illegal” foreigners boil is possibly not known even to the Lord God himself...

Shall We Lock Up the Border Again?

The critical situation we have would certainly not be tolerated by any civilized country. But there seems to be no way out as yet. Shall we deport all foreign “illegals”? But who will bear the enormous cost? This operation will demand three to five thousand dollars per person, while

the illegals are numbered in hundreds of thousands. Another sad fact is that most states have no desire to take back their prodigal children.

Should we give it up as a bad job and grant the refugee status to the “illegals”? We could do so and thus doom ourselves to an enormous expense, especially since we joined the relative international convention in November 1992. But the trick is that very few foreigners cherish the idea, since all of them dream of going West. For example, Sergei Bushmarin, an employee of Russia's federal immigration service, has in his file not more than 100 applications for granting them the refugee status.

The border cannot be relocked, of course, but we will certainly have to put things right, says Sergei Boldyrev, deputy chief of the division of exit information of the Russian Foreign Ministry's consular service. A civilized state cannot do without effective control of entry and exit of foreigners. Suffice it to get acquainted with US experience.

Another measure that can be used is sharply to increase the responsibility of numerous Russian tourist firms for the false travellers they receive. Upon their arrival in Russia they usually dissolve in its limitless expanses. Detained would-be voyagers could be deported at the expense of these firms. By the way, the punishment in the United States for persons who deliberately help foreigners enter the country is a fine of up to 10,000 dollars. There is always someone to learn from how to handle such a situation, provided there is someone willing to learn.

MOSCOW NEWS File

The US immigration and naturalization service is registered in and is a part of the Department of Justice. It has the right to examine the question of foreigners' entry into the country even after he or she has acquired an entry visa and to interrogate suspicious people. It can arrest and search them without a warrant. Any immigrant can be sent out of the United States only because, in the opinion of the immigration service, he lacks sufficient moral qualities for living in America.

Whereas Russia's territory was, according to the Security Ministry, left by seven foreigners who had been registered but not recorded on their entry in 1991, there were 31 in the first six months of 1992 and 242,000 in the second half of that year.

The Federal migration service thinks that even more foreigners had penetrated Russia's air, maritime and land borders with false passports and visas. Approximate calculations show that there are not less than 150,000 such “illegals” in the country at present. All forecasts predict, unfortunately, that the process will gain momentum, since smuggling people across borders brings an immense profit.

There are in Moscow alone at least 120,000 “illegal foreigners,” of whom 30,000 are Sri Lankans, 15,000

Afghans, about 40,000 Iraqis, some 25,000 Indians and several thousand Somalians. They rent not less than 25,000-30,000 flats in the city and its environs.

Foreigners committed 531 crimes in Russia in 1992, which is 87 percent above the previous level. They account for 5 murders, 14 assaults with robbery, 26 robberies and 43 rapes. Most of these crimes (28 percent) were committed in Moscow.

Ministry Official Details Pension Issues

934K0480A Moscow LITERATURNAYA GAZETA
in Russian No 7, 17 Feb 93 p 10

[Interview with L.S. Vulf, deputy chief of the Main Administration for the Organization of Retirement Benefit Servicing, the Russian Federation Ministry of Social Protection, by L. Velikanova; place and date not given: "Retirement Benefits: New Laws, New Questions"]

[Text]

[Velikanova] Retirees have begun to receive considerable retirement benefits compared to the old ones. They do not quite understand how these amounts are generated, what retirement benefits are due them at present, and why. Therefore, please begin at the very beginning: How is the new volume of old-age retirement benefits calculated for those who already receive them?

[Vulf] On 21 October 1992, the Law on Increasing State Retirement Benefits in the Russian Federation was adopted, in keeping with which the size of almost all retirement benefits increased by a factor of 2.5. Let me stress: For the first time, growth applies not only to minimum retirement benefits, but also to all others, including maximum retirement benefits.

[Velikanova] How is one to calculate his retirement benefits in order to determine what is due him effective 1 November 1992?

[Vulf] This is a very simple operation. He should take the retirement benefit actually received (for example, 1,450 rubles [R]) and multiply it by 2.5. It comes to R3,625. This is the new size of the retirement benefit due a given person effective 1 November 1992.

[Velikanova] What about the factor of 1.9?

[Vulf] The same law, dated 21 October 1992, provided that, beginning 1 February 1993, the minimum old-age retirement benefit, and on this basis—the maximum size of retirement benefits, will be increased once every three months, taking into account changes in the price index in the past quarter. That is to say, retirement benefits are being indexed in conjunction with the growth of the cost of living and inflation.

This norm has now already been implemented effective 1 February 1993. It was built on in the decree of the Russian Federation Supreme Soviet dated 15 January 1993: The minimum old-age pension increases by a

factor of 1.9, and correspondingly, all retirement benefits granted increase by a factor of 1.9.

Therefore, the retirement benefits which have just been increased under the 21 October 1992 law are being increased quite substantially yet again. A quite complicated calculation emerges, which a retiree indeed has difficulties sorting out, all the more so because the process of retirement benefit recalculation is very labor-intensive. It requires that quite a number of complicated operations be performed, quite a few of which cannot be automated. There are a number of provisions which are not to be automated. They necessitate a study of the records in the case file. These amounts are recalculated only manually. In Moscow alone, there are up to 60,000 case files which are not to be automated.

[Velikanova] What kinds of case files are these? I have noticed that from the very beginning you said "the size of almost all retirement benefits has increased by a factor of 2.5." What does "almost" mean?

[Vulf] Indeed, some retirees have found out that their retirement benefits increased somewhat more than by a factor of 2.5 or, to the contrary, somewhat less. Let us begin with the pleasant situation: The increment has turned to be weightier.

This is due to the fact that, until 1 November 1992, a temporary restriction of the maximum size of retirement benefits applied. It could not exceed two times the minimum, or 2.5 times the minimum for those who were employed in underground mining. Effective 1 November, the restriction was lifted, and a procedure established by the Main Law took effect: The maximum retirement benefits may come to three times the minimum retirement benefit (or 3.5 times for those employed in underground mining).

For example, the actual retirement benefit of a woman with a labor tenure of 20 years should have come to R2,000, whereas at one time, we restricted it to two minimum wages, which at the time was R900. That is, she received R1,800 rather than R2,000. What is to be done about this retirement benefit now? We remove the restriction, and make R2,000, rather than R1,800, the base of calculations: $R2,000 \times 2.5 = R5,000$. $R5,000 \times 1.9 = R9,500$. This, R9,500, is the retirement benefit this woman will be receiving now, effective 1 February.

[Velikanova] This is understood. The standard increments are by factors of 2.5 and 1.9. What are the exceptions from this?

[Vulf] Let me begin with the fact that the 21 October 1992 law resolved that the inflator coefficient of 2.9 for updating the salary for 1991, in the process of calculating retirement benefits, was understated. It was increased to 4.3. However, since it was recognized in the process that the coefficient was calculated erroneously, they decided to correct it effective 1 May, that is, the day on which coefficients were introduced initially, rather than in the future.

This meant that everything had to be recalculated in all cases in which 1991 earnings had already been calculated with a coefficient of 2.9. Naturally, this operation in no way fit within the automatic increase by 2.5.

Furthermore, many people filed for retirement benefits in 1992. Their earnings were not to be updated (increased by a factor of 2.5). Therefore, we could not just take retirement benefits which included 1992 earnings and multiply them by 2.5. We had to first perform all the necessary operations with coefficients for 1991, then inflate earnings over 4 years by a factor of 2.5, and only then add to them nominal 1992 earnings.

Many such cases have accumulated. About 2 million people retire every year in Russia. Naturally, these new grants include 1991 and 1992 earnings; therefore, there is still no dearth of manual work.

[Velikanova] Who was granted preferences under new legislation, and which preferences? Judging by the enumeration, there are quite a few categories.

[Vulf] Let us begin with the working people of rear areas. A bonus equal to 50 percent of the minimum old-age retirement benefit is established for them.

Minor-prisoners of concentration camps are a second category. A bonus to retirement benefits has also been established for them. The residents of Leningrad during the siege are the third category.

To be sure, there is yet another category of retirees who receive social benefits. There is a very difficult group among them—Category 1 individuals, handicapped from childhood on, and handicapped children. Effective 1 January 1993, an attendance allowance was introduced for them, similar to the attendance allowance for Category 1 disabled workmen. It comes to two-thirds of the minimum old-age retirement benefit, amounts to R2,850, and is paid effective 1 February 1993.

Besides, bonuses on top of retirement benefits increase in the cases of those to whom such bonuses have been granted before. For example, the retirement benefits of labor veterans were increased by 50 percent of the minimum wage, and now—by 100 percent. In addition, they have been increased for certain categories, for individuals subjected to unjustified reprisals for political considerations and subsequently exonerated (from 25 percent of the minimum old-age retirement benefit to 50 percent). The retirement benefits of Heroes of the Soviet Union, Heroes of the Russian Federation, and citizens decorated with three degrees of the Order of Glory are increased by 50 percent. However, this increment sometimes turns out to be less than 100 percent of the minimum old-age retirement benefit. This is why a guarantee has been introduced in this instance: If one's own retirement benefit turns out to be smaller, 100 percent of the minimum old-age retirement benefit is granted. A guarantee has also been introduced for the Heroes of Socialist Labor. Their retirement benefits are

also increased by 25 percent, but this bonus may not be less than 50 percent of the minimum old-age retirement benefit.

The same 50 percent of the size of the minimum retirement benefit has been introduced for the first time for those who served in the Army during the war years, but not with the fighting forces.

The retirement benefits of minor-prisoners of concentration camps, ghettos, and other incarceration facilities established by the fascists and their allies are increased by the same margin as those of war veterans—by 100 percent of the size of the minimum old-age retirement benefit. For the residents of Leningrad during the siege, it is 50 percent of the minimum size of the old-age retirement benefit.

Therefore, effective 1 February, a new size of the minimum retirement benefit is in effect—R4,275, given the necessary tenure. The same arrangement has been retained in full: If the tenure exceeds the one required, this minimum size is increased....

[Velikanova]by one percentage point a year?

[Vulf] However, by not more than a total of 20 percent.

This is to say that the minimum retirement benefit may range from R4,275 to R5,130. This is effective 1 February.

The maximum is still equal to three times the minimum retirement benefit—which will range from R12,825 to R15,390. Under List No. 1, the maximum size of retirement benefits comes to R17,955 (because 3.5, rather than three minimum retirement benefits apply in this case).

It would appear that everything is great. However, in all honesty, I am consumed by doubts. This has to do with the fact that we are indexing retirement benefits solely in conjunction with the growth of the cost of living, rather than in conjunction with labor tenure. This is why I would think that we should index by a greater factor the retirement benefits which do not ensure the subsistence minimum and doom retirees to living from hand to mouth.

Meanwhile, everyone got the 1.9 increment in our country. No matter how respectful I am of the categories of highly paid retirees, of those who receive retirement benefits equal to R15,000, I find it surprising that their retirement benefits also increased by a factor of 1.9. Meanwhile, those who receive the minimum retirement benefit of R2,250 are still left below the poverty line after the increase by a factor of 1.9.

Of course, all of these are meritorious people; of course, they need to be distinguished. I would very much not want someone to think that his retirement benefit is being encroached upon. However, I am just referring to indexation arrangements because we still have Category 2 handicapped as a result of work-related disability and

handicapped due to general diseases—this is a difficult group. Many of them are people who, unfortunately, became handicapped while still young, and who did not yet manage to get high salaries—and once again they are left with the minimum benefit of R4,275. All of this is peanuts for a handicapped person. This is why it appears to me that it would be more proper for indexation at greater rates to apply primarily to those who are in an absolutely bad situation because benefits are increased—I repeat—in conjunction with inflation, rather than labor.

[Velikanova] However, previously, in our earlier conversations, we raised the issue of the need to avoid leveling. After all, this is very important!

[Vulf] We should strive for a marked differentiation, and we should come to it, but....when we have regular development, when we are able to ensure a worthy life and a worthy retirement benefit even at the lower level through differentiation. In this case, let those who have worthily contributed to the development of society have very high retirement benefits; however, let those at the lowest level also be able to live worthily. Then it will be possible to discuss marked differentiation.

However, at present, when we are going through a crisis, when survival is at issue, the approach should be different.

An arrangement which would equalize all of us in a way, but would allow all of us to survive, would appear more reasonable to me in a period of a deep crisis. As I see it, the coefficient should be reduced somewhat with regard to high retirement benefits.

[Velikanova] For example, 1.6 rather than 1.9—is it so?

[Vulf] Indeed. Mathematicians, economists, and sociologists should get to work and calculate all of this. I am convinced that this arrangement needs to be revised promptly; legislative and executive authorities should work together, in tandem, and find an optimal solution. To my mind, this is necessary for the duration of the crisis.

[Velikanova] What is happening to those who have now begun the processing of their retirement benefits, for example, filed for them in January 1993?

[Vulf] Everything is normal in the case of those who filed in January, because we calculate the retirement benefit before 1 January and increase it by a factor of 1.9. The cases of those who retire after 1 February are somewhat more complicated. We take their earnings, and use an appropriate coefficient, unless it is for 1992. Subsequently, these earnings are increased by a factor of 2.5, and we calculate the retirement benefit. However, it is not increased by a factor of 1.9. Naturally, the benefit will end up being smaller than that of those retiring on the basis of earnings for the same period, but processing everything before 1 February.

At present, the Supreme Soviet is working very vigorously in order to introduce coefficients for these retirement benefits. A very short period of time will elapse, and this problem will be solved.

Standard of Living Endangers Health

934E0251A Moscow DELOVOY MIR in Russian
4 Mar 93 p 16

[Article by Yelena Yudina, candidate of economics: "Health Is a Category of the Economy"]

[Text] I remember the slogan of 1970's—"Protect your men!" At the same time, however, we were called upon to protect nature and grandmothers, save electricity, and be economical about the economy. Many people could not figure out how to protect all of these? And from whom? It was more or less clear about nature: Do not tread on, do not chop down, do not burn. But men? Expert explanations did not help either: they do not live as long as women, they get sick more often, they do not adapt as easily, and when they retire, then anyway... But nobody heeded the appeals and explanations.

We are now reaping the fruits of all this: The average life expectancy of a man at present is 63.5 years in the city and 61.7 in the village. Of all the people who are approaching working age now, only 70 percent will live to be 60 in the city and 60 percent in the village. It is a little better for women (their average life expectancy is 74.3 years in the city and 73.9 in the village), but their future cannot be called rosy either: they are better off because of their higher natural ability to adapt, but specific female diseases are added to their "all-human" ones.

So, either group has some disadvantages, but everybody loses. Even more so if you compare our situation to the countries with developed economies... The mortality rate among Russian men of working age exceeds the same rate for residents of those countries some two or three times, and is 1.5 times higher for women. Twice as many Russians die of cardiovascular diseases, 3.6 times more die of accidents. In this respect we have unfortunately caught up with America and surpassed it. Russians do not suffer from chronic diseases any less than Americans—cardiovascular and oncologic as well as what experts call sociopathic diseases: psychopathy, alcoholism, drug addiction. Nor do we lag behind in tendencies for antisocial and criminal behavior which, as everybody knows, lead to murders and suicides.

Generally, Russia is unique and unusual. We are ahead of other countries in chronic ailments but we cannot rid ourselves of diseases that are known mostly in developing countries—infectious, and parasitic diseases, traumas, poisonings, and even such "exotic" ones as scabies, pediculosis, and diphtheria. In principle, the latter was eliminated long ago, but it reminded us of its existence in 1991 with 13 cases per 1 million population (for comparison: the United States registers five or fewer such cases a year for the entire country).

Tuberculosis, the primary social disease, has been a cause of special concern among medical workers. At first glance, our situation with tuberculosis looks the same as the average in Europe. But on the one hand, Russia has a much higher number of serious cases of it leading to disability or death and, on the other hand, some population groups (convicts, homeless, minor ethnic groups) have a 23 times higher rate of tuberculosis than the rest of the population. In the United States, for instance, an active form of tuberculosis was first diagnosed in 24,000 people in 1991, while here it was 50,000 people. Besides, in almost one third of all those affected the disease has reached a rather neglected condition by the time it is diagnosed!

Accidents and injuries have become a major social problem. Apart from causing disabilities and loss of life (in 1991 alone 406,000 people suffered occupational accidents), they result in great economic losses. In 1991 they amounted to 9.8 million man-days. Their death rate is also high. In 1990, for instance, accidents, poisonings, and injuries killed about 25,000 men between 25 and 35 years of age. The total death rate for preretirement age is about 8 million years of work-capable life, 40 percent of which are caused by accidents.

Given such high rates of diseases, accidents, and mortality, our low percentage of disabilities is surprising to see. It is only three percent of the total population in our country, but 10 percent in developed countries. The crux of the matter is not that our people are healthier, of course. Even if we disregard our poorly organized record-keeping on the disabled or the difference in our criteria and foreign criteria allowing people to obtain disability benefits, if we just look at the structure of this group of people, the nature of this large discrepancy will become clear. About 80 percent of disabled in Russia belong to the 1st and 2nd categories. This means that people whose problems are comparatively not very serious try to avoid disability as they are afraid of lowering their social standing and material standards; the government is not too willing to assign the corresponding benefits, thus saving money.

This situation has resulted in an absurd situation: Life expectancy numbers are dropping and the number of disabled is going down, but the amount of people on temporary disability remains at the same level. People are simply afraid to call for a doctor and ask for medical help. This is especially true now when the Damocles' sword of unemployment is hanging over us and our medical care is switching to insurance.

The very term "medical insurance" often becomes synonymous with "paid medical care." But we need to talk about different aspects of medical care which should be paid for in some cases (provided by private and leased medical and other health care institutions) but also free for those who need it (but paid for by the government) when we mean emergency care, infectious diseases, health care for mother and child, and diseases that are considered socially dangerous in the entire world.

Until now our government has not overly burdened itself with concern for human health, the greatest social value. The share of gross national product assigned for the development of our health care dropped from 8-10 percent in the 1960's to 3-4 percent in 1991. The cost of health care in our country in 1980 was about 90 rubles [R] per person, the estimated cost in 1993 is R6,500 (in current prices).

We have to cite here comparable data for the United States where, from 1965 through 1990, health care costs grew from \$41.6 billion to \$666.2 billion or from 5.9 percent to 12.2 percent of GNP. As a result, the government alone spends \$2,566 per person a year, apart from the fact that medical insurance also has a long tradition there. Private industrial (and not only industrial) companies pay for the medical treatment of their employees and trade unions watch it strictly. Health care itself has become an active policy instead of a collection of slogans, and its importance is equally clear to the people, the government (statistical data show that Americans are cutting down on their consumption of alcohol and tobacco products), and public organizations. The latter are acquiring more and more influence in their fight for a cleaner environment and better living conditions, and contribute to increasing the life expectancy of Americans and improving their health.

But here, one out of every eight samples of tap water in large cities does not comply with bacteriological requirements, one out of every five is below chemical standards. The morbidity rate in many industrial cities which the WHO names the most polluted in the world is 1.7 times higher than in "clean" territories in Russia.

The quality of food in Russia is also below world standards. I would not even mention such things as variety and ecological purity of our food. Moreover, we receive 25 percent less quality protein and up to 40 percent less vitamins than necessary. This can mean only one thing—a threat to the nation's health and also to its gene pool.

In order to find a way out of this situation we need to have government programs for maintenance of people's health, which should include and preserve free medical care for the socially vulnerable groups of our population, and we need reliable figures. As you know, classifications of diseases, criteria of morbidity, and even mortality rates differ considerably in Russia from those accepted in the entire world. For this reason all our comparisons with other countries are tactless and our participation in the WHO "Health for Everybody" program seems rather doubtful.

1993 Unemployment Expected To Rise

934E0244A Moscow DELOVOY MIR in Russian
2 Mar 93 p 16

[Article by Aleksandr Semenov, Scientific-Research Economic Institute of the Russian Federation Ministry of the Economy: "The Higher the Inflation Rate, the Lower the Unemployment Level"]

[Text] As sociological surveys show, these days every one out of two employed people in Russia is concerned with the possibility of losing his job. Along with inflation, production decline, and the rising cost of living, unemployment is becoming one of the sorest spots in our economy. It is a well-known fact, however, that the aforementioned processes are closely interrelated; therefore, the only way to evaluate the state of affairs, and particularly to forecast the employment situation is to look at them all as a whole.

The postulate that operates in a stationary market economy is the so-called Phillips Curve, according to which the higher the rate of inflation is, the lower the level of unemployment. With some qualifications, the past year has confirmed its validity for our economy as well: With the annual rate of inflation of 2,600 percent, the official unemployment level as of the end of the year was only 0.8 percent of the total work force, while the number of employed in the national economy has fallen by 1.3 million people, or 1.8 percent.

The clearest picture of changes in the numbers and the structure of employment for the past year comes from the summary report on labor (see table 1), which incorporates in a comparable form about 85 percent of those employed in the Russian economy. According to this report, the number of those engaged in material production has dropped by 2.3458 million people, that is, by 5.4 percent. Keeping in mind that the national income produced has fallen by 20 percent, one may say that the productivity of public labor over the year has fallen by 14.6 percent. Our economy has never experienced such a drastic decline of labor productivity in peacetime. In 1992, the elasticity of reductions in the number of employed associated with the decline in the production volume was extremely low—for the national economy as a whole it was no higher than 0.1, and in material production and industry—0.27.

Is this good or bad? On the one hand, there was no catastrophic drop in employment and increase in open unemployment. On the other, the process of accumulation of hidden unemployment continued; its potential, in our estimates, by the end of the year amounted to 9.5 million people, having increased by more than 3 million people over the past year. This potential constitutes a heavy burden not only on the efficiency of labor, but it also contributes to the acceleration of the inflation spiral. In the event of a dramatic tightening of the anti-inflation policy, even without implementing structural changes in the economy, this excess labor force may in the next two years swell the labor market. Thus, one of the most important tasks for the government is to find an optimum solution between restraining the inflation on the one hand and the production decline and increased unemployment on the other; that is, measures aimed at the financial stabilization of the economy must be correlated with the employment policy. This, in turn, brings up the question of determining the level of unemployment that would be socially acceptable in the current circumstances.

In estimating this level, it is necessary to take into account the fact that over the next three to four years, unemployment will be caused first and foremost by the general production decline and the extremely low level of investment activities, that is, it will be stagnant. In these circumstances, a socially acceptable level of unemployment (calculated as annual average) should not exceed three to four percent of the total able-bodied population. This takes into consideration first and foremost with the population's extremely low standard of living (one-third of the population has an income below the minimum sustenance level), already as it is produced by two or more family members. Only when real structural changes begin (not earlier than 1996-1997); when new spheres of application of labor appear; when it becomes possible to regroup the labor force and to relatively quickly find employment for discharged workers, can the socially acceptable level of unemployment rise to six to seven percent.

It is hard to assume, however, that there had been at least somewhat purposeful direction in the processes of employees' discharge in 1992. This is evidenced by their dynamics both across the national economic macrosectors and, to an even greater extent, inside the most important sector—industry. First, this evaporates the myth of the nonproduction sphere as a potential sphere for applying the labor of workers discharged from material production. The only sectors where there has been a clear increase in employment were administration, finance, and state insurance (the latter is distinguished by the highest average wages); in absolute figures, however, this increase was unsubstantial. At the same time, the number of those engaged in science and science-related services has fallen sharply, which shows that the nation's intellectual potential is underused. The situation in health care has worsened dramatically—not from the standpoint of the number of employed, which has only fallen slightly, but from the standpoint of the wage level, which is next to last among all sectors. Given that the mortality in the country now has exceeded the birth rate, while the life expectancy is steadily falling, the situation in health care is certainly a cause for alarm. As to culture and arts, this sector is a traditional and unchallenged "leader" in the sense of its incredibly low level of labor remuneration.

The number of employed in industry has fallen by more than 1.1 million people, or by 5.2 percent. This sector is the main supplier of released labor. In our estimates, by the end of the year 50 percent of the unemployed were former industrial workers. At the same time, because of the high rate of production decline, hidden unemployment grew, which we estimate by the end of the year in the sector as a whole will reach 3.5 million.

While the decline in the production volume was more or less even across industrial sectors and with minor variations fluctuated between 18 and 25 percent, the dynamics of the number of the employed was sharply differentiated and often multidirectional. The machine-building and metalworking sectors were most sensitive

[Bekreneva] Are there similar organizations in other countries of the CIS? If so, do you discuss common problems together?

[Fedulova] A powerful women's movement is springing up in all countries of the former USSR, as in Russia. All have their own singularities, although there has been an equal deterioration in the position of women everywhere, and they are suffering the burdens of the transitional period far more severely than the men. The situation will only be changed slowly. And only by common efforts. This was the conclusion reached by representatives of women's organizations of the CIS countries at a meeting which was held recently in Moscow Oblast's Saltykovka. We have been bound for many years by friendship and mutual understanding. And we have now agreed to help one another, have outlined the reference points in our work, and will seek paths to a solution of women's problems together.

[Bekreneva] Do the women consider their union an authoritative organization?

[Fedulova] Evidently they do, since they are constantly writing and calling us. Look here, this sheaf of letters is just one day's mail.

It is large families that appeal for help most. You want to help and support, if not all, many of them. But how? We decided to invite to come and see us mothers and elder daughters. Lyubov Aksenova, head of the Lyubaks firm, taught them to cut and sew, and even gave them the cloth for this. When the classes were over, all left here with almost finished dresses and skirts.

Market economy courses for women and young ladies who would like to become involved in enterprise have already been instituted. Classes are given not only by Russian specialists, but also those from Australia, the United States, and Holland. The School of Aesthetics and Beauty, organized in conjunction with the Spanish Lady Anna firm, has begun work. The Women's Social Support Center, where it is possible to obtain legal advice and where the unemployed are retrained, is functioning. Vacancy fairs, which we hold together with Moscow's Labor and Employment Department, help women who have become "superfluous" on the labor market to overcome the psychological barrier. Very useful work. Women's unification for contacts and the solution of some common problems is simply essential.

[Bekreneva] Yes, of course. Particularly at a time when "the men have become like old ladies, and the women, almost the same as men." What, incidentally, in your view, is Russia's knowledge of the Convention Against Discrimination Against Women?

[Fedulova] The UN convention on the elimination of all forms of discrimination with respect to women is, perhaps, the sole document that has been signed by virtually all countries. It has been ratified by Russia also. But in the 10-plus years of declaration of rights to the world, not only have we made no progress on this issue, but we have

been sliding back by the day, losing even that little which we had. You see no women in parliament or the government. We see only the stronger half of mankind in numerous parties and movements. And the woman in business is a rarity. But in social life? The burden of representatives of the fair sex at work and in the home amounts to 76.3 hours a week; for men, on the other hand, 59.4 hours. You have recalled Yevtushenko's lines.... He is right—you necessarily become hardened.

[Bekreneva] Yet, I recall, there was a time when much was being said about an official women's program. Could it be adopted now, or only in the future?

[Fedulova] We are very good at talking, proclaiming, and promising. And, unfortunately, this talking shop substitutes entirely for us for real action. This has become part of our nature. For this reason, for the woman to expect something good from government would be absurd. Although there is a need for a precise, well-considered program of an improvement in the position of women in the country. After all, the list of our women's problems is long. It is sufficient to recall unemployment, where they are the first in line.

[Bekreneva] Can the union influence what is happening?

[Fedulova] Yes and no. We can change little, we can only call the attention of the government and the public to our problems. This has partly already been done. It was not without the union's insistence that there appeared the Department for the Problems of Women, the Family, and Children, in which we place great hopes.

[Bekreneva] God grant. But have you noticed that, despite certain government shifts, all of "women's policy" is built to men's taste? The word "women" has disappeared from the draft new Constitution altogether. This despite the fact that female Russian citizens constitute more than half of the population of Russia.

[Fedulova] Of course, it is deplorable when the country's future Basic Law says nothing about the equality of men and women. We have appealed to the president of Russia and the Constitutional Commission for the inclusion in this most important document of the article "Equality of Men and Women," and proposed the appropriate wording.

[Bekreneva] But perhaps this equality is not what is needed? Perhaps women should have their main purpose—being a mother, wife, and keeper of the domestic hearth—restored to them. Do you not at least sometimes of a morning want to spit on work, take your time, caress your child, knead dough, darn socks, or hem an apron, for which you simply do not have enough hands?

[Fedulova] You want to live a normal life, of course. But many of us are as yet "prisoners" of circumstance. Our husbands earn little, many drink, 7 million court orders are "making the rounds" of the country, and others have frankly grown lazy, and for this reason the present market has for a long time thrown them out of their

routine—shock! What is the woman to do? Let her decide herself what her main purpose is.

[Bekreneva] Unfortunately, you are right. And the birth-rate is now falling steeply. And what is it like for a mother to feel that her child is being short-changed? Young ones do not see candy and dolls, and schoolchildren, parental concern and attention (the adults are forever on the go), and the students live in poverty and, when necessary, "nibble at the granite of scholarship," lest they die of hunger, and become involved in the devil knows what....

[Fedulova] And it is, once again, all of us who are to blame. We have unthinkingly destroyed that which was good in our past life: We have done away with the system of preschools, children's camps, and after-school sports classes, and everything now costs big money.

There is the Children of Russia government program. The union has associated itself with its implementation. This is being expressed as yet in the handover free of charge of footwear, clothing, and medicinal drugs to needy families, children's homes, sick children, and single mothers, and the provision of medical institutions with medication and equipment. Of course, this is manifestly insufficient, but we are a voluntary organization. Funds and opportunities to prevent the presence in Russia of destitute children need to be found at the government level urgently.

[Bekreneva] Tell me, Alevtina Vasilyevna, do you like being chairman of the Women's Union?

[Fedulova] Yes, very much. I take great pleasure in my work. Although I do not overestimate my contribution to the solution of the "women's" question. We are more embellishing life here, for that matter, not really making it better.

[Bekreneva] What are Valentina Tereshkova and Zoya Pukhova doing now?

[Fedulova] Valentina Vladimirovna works in the Russian International Cooperation Association, and Zoya Pavlovna is retired.

[Bekreneva] And in conclusion—personal matters: What period of your life do you consider to have been the happiest?

[Fedulova] My youth, of course.... A time of love, hopes, plans.

[Bekreneva] Perhaps we women will, for all that, some day sigh with relief and be happy from cradle to grave and be esteemed not only on the day of 8 March.

[Fedulova] I would like to think so....

Dingo Flying Boat Goes Into Series Production

934E0221A Moscow KOMMERSANT-DAILY
in Russian 24 Feb 93 p 1

[Mikhail Sergeyev report: "An Aircraft for Oil Workers and Spies Has Been Put Into Production"]

[Text] Under conditions of an almost total freeze on state military orders, Russian aviation plants are trying to switch to commercial production of business and small transport aircraft, for which the market is almost empty. Yesterday at the Sokol aviation plant in Nizhny Novgorod—one of Russia's largest series-production military aviation plants, the producer of the MiG-29 and MiG-31—an amphibious aircraft that employs the air-cushion principle went into series production. The new aircraft, which is distinguished by its safety and simplicity, can count on broad demand from local airlines.

The Dingo is flown by one pilot and can carry six passengers and 850 kilograms of freight. Its range is 900 kilometers. The aircraft is equipped with an M-601 engine (made in the Czech Republic), which in the export version is to be replaced by a similar engine from Pratt and Whitney (the United States). Cruising speed is 290 kilometers an hour. The 14-meter wing span enables the Dingo to land even if the engine malfunctions.

Transportation departments at oil and gas enterprises engaged in developing the Siberian deposits have already stated their readiness to buy the Dingo. American experts visiting the plant were also interested in the new aircraft; they evoked some suspicion in the Sokol director, Viktor Andryunin, who remarked that they "reminded him of CIA agents." The real or imagined attention from the intelligence services is explained by the original technical solution found by the aircraft's designers: instead of an undercarriage with wheels an air cushion is used, created by a special engine. With this support, which exerts very little pressure on the ground, the aircraft could even land in a mine field. Not to mention the fact that it takes off easily from uneven surfaces, from water, swamp, ice, or snow—an invaluable characteristic for use in sabotage operations but also not superfluous in conditions in which there is no infrastructure in some Russian provinces.

The Dingo is a key element in the start of the plant's program to produce new freight and passenger aircraft whose sale can compensate for the decline in military production. By 1993 the Sokol aviation plant in Nizhny Novgorod will have lost 80 percent of its orders from the Russian Ministry of Defense for its main output—the MiG-31 air defense interceptor and the MiG-29 fighter. On the other hand, the product list of aircraft produced at the plant offers no justification for hoping for any significant growth in export earnings. The MiG-29 fighter is produced at the plant in the two-seater training version and export volumes are not great. The MiG-31 interceptors also cannot guarantee stable exports; they

are usually purchased only together with an entire standard Russian air defense infrastructure and this is now very costly and poses a difficult decision even for rich purchasers.

The cost of the aircraft is above \$100,000. The first Dingo aircraft will be fabricated by the end of the year and in all the plant plans to produce about 300.

Telephone number for the Sokol plant is (8312) 46-75-22

REGIONAL AFFAIRS

Yeltsin Edict on Presidential Representatives

934F0180A Moscow *FEDERATSIYA in Russian*
No 17, 13 Feb 93 p 3

[Edict of the President of the Russian Federation: "On the Representative of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St Petersburg"]

[Text] With a view to securing the unity of state policy in the activity of the organs of executive power of the Russian Federation and increasing the effectiveness of the cooperation of the federal organs of executive power with the organs of state power and the administration of krays, oblasts, autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg in questions of the realization of the provisions of the Federative Agreement, I decree:

1. To reorganize the institution of representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg in conformity with the provision about the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

To confirm the Statute on the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the cities of Moscow and St. Petersburg in accordance with the appendix.

To establish that the representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg are officials of the Administration of the President of the Russian Federation.

2. For the director of the Administration of the President of the Russian Federation within a 2-week term to submit proposals for the execution of the certification of representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

3. The servicing of information, legal, financial, social, consumer, and medical needs of the representatives of

the President of the Russian Federation in krays, oblasts, autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg is provided by the corresponding subdivisions of the Administration of the President of the Russian Federation.

4. To recognize as no longer valid the Edict of the President of the Russian Federation of 15 May 1992, No. 765, "On the Confirmation of the Statute on the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the cities of Moscow and St. Petersburg."

[signed] President of the Russian Federation B. Yeltsin
Moscow, Kremlin
5 February 1993 No. 186

Statute on Presidential Representatives

934F0180B Moscow *FEDERATSIYA in Russian*
No 17, 13 Feb 93 p 3

[Statute "On the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St. Petersburg", approved by Edict of the President of the Russian Federation of 5 February 1993, No 186]

[Text]

On the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St. Petersburg

1. General Provisions

1.1. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg is an official who represents the President of the Russian Federation in the corresponding territory.

1.2. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg is subordinated to the President of the Russian Federation and is appointed to office by the President of the Russian Federation upon recommendation of the Director of the Administration of the President of the Russian Federation.

1.3. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg carries out his powers in accordance with the Constitution of the Russian Federation, the laws of the Russian Federation, the edicts and orders of the President of the Russian Federation, and the present Statute.

1.4. The activity of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and

St. Petersburg is coordinated and secured by the Directorate of the Administration of the President of the Russian Federation in regard to work with the territories, the representatives of the President of the Russian Federation, and relations with the Supreme Soviet of the Russian Federation.

1.5 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg may not be a member of political parties and mass public-political movements, may not hold any posts in state organs, organs of local self-government, enterprises, institutions, and organizations, and does not have the right to entrepreneurial activity. The representative of the President of the Russian Federation has the right to be engaged in scientific, pedagogical, and creative work.

2. Powers of the Representative of the President of the Russian Federation

2.1 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg:

a) represents the President of the Russian Federation in relations with the organs of state power and administration, local self-government, public organizations, enterprises, organizations, institutions, military formations, and citizens in the corresponding territories;

b) promotes the implementation of edicts and orders of the President of the Russian Federation and decrees of the Government of the Russian Federation. He has the right to monitor the activity of the organs of executive power in regard to the indicated acts in the territory in accordance with the Federative Agreement;

c) coordinates the activity of the territorial services of the federal organs of executive power;

d) submits to the President of the Russian Federation analytical and other information about economic, social, and political processes in the territory and introduces corresponding proposals;

e) introduces in the corresponding organs of state power and administration representations about violations of the Federative Agreement, edicts and orders of the President of the Russian Federation, and decrees of the Government of the Russian Federation, and in necessary cases informs the organs of the procuracy about this. The indicated representations are examined by the corresponding organs of executive power within a 10-day period;

f) has the right to introduce proposals for the appointment to and dismissal from office of the directors of the territorial services of the federal organs of executive power in the corresponding territory;

g) has the right to inquire and to receive from state organs, enterprises, organizations, and institutions the necessary information, documents, and materials;

h) has the right to take part in the work of the organs of executive power and to be present at sessions of the representative organs of power of the corresponding territory;

i) on separate instructions of the President of the Russian Federation, exercises other powers.

2.2. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg does not have the right to interfere in the operational activity of the organs of executive power, associations, enterprises, and organizations, to issue decisions subject to mandatory execution, besides decisions in regard to the organization and activity of the apparatus directly subordinated to him.

3. Responsibility of the Representative of the President of the Russian Federation

3.1 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg may be dismissed from office for non-execution or improper execution of the Constitution of the Russian Federation, the laws of the Russian Federation, and edicts and orders of the President of the Russian Federation.

3.2 Prior to the submission of a decision about the dismissal from office of a representative of the President of the Russian Federation, the possibility of submitting written and oral explanations to the President of the Russian Federation is guaranteed.

Organization of the Activity of the Representative of the President of the Russian Federation

4.1. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg and his apparatus are part of the structure of the directorate of the Administration of the President of the Russian Federation for work with the territories, the representatives of the President of the Russian Federation, and relations with the Supreme Soviet of the Russian Federation. The numerical size of the apparatus of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg, the total wage fund, and the procedure for the financial, social, material and organizational-technical provision of the activity of the representative of the President of the Russian Federation and his apparatus are determined in accordance with the procedure established for staff members of the Administration of the President of the Russian Federation.

4.2. The Administration of the President of the Russian Federation effects the information and legal provision of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

4.3. The provision of the representative of the President of the Russian Federation and his apparatus with office and housing premises, transportation, means of communication, medical and social services is effected by the Administration of the President of the Russian Federation and the administration of the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow or St. Petersburg on the basis of agreements with the Administration of the President of the Russian Federation. The corresponding expenditures are effected through estimated expenditures of the Administration of the President of the Russian Federation.

4.4. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug and the cities of Moscow and St. Petersburg and his apparatus are placed in the corresponding territory.

Dudayev Favors Expansion of Presidential Powers in Constitution

934F0173A Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 pp 2-3

[Article by Timur Muzayev: "The Next Turn of the Political Crisis: The Deputies of the Parliament Have Accused General Dudayev of Preparing a Constitutional Coup"]

[Text] As before, Dzhokhar Dudayev, the president of Chechnya, has become the initiator of a new aggravation of relations in the corridors of power in Grozny. On 15 February, he published the edict "On the Conduct of a Survey of the Citizens of the Chechen Republic About Their Attitude to the Adoption of a New Wording of the Constitution", as well as the text of this new wording, which was prepared by the advisers of the president in secret—without the knowledge of the parliament and the public. In accordance with this edict, the conduct of a poll in support of the new Constitution of Chechnya submitted by the president is proposed for today (19 February). Naturally, the presidential wording of the Basic Law proposes a substantial expansion of the powers and rights of the president himself and at the same time significantly reduces the prerogatives of the parliament.

In his appeal to the citizens, General Dudayev called for the support of the new wording, since, in his opinion, it will help to "delineate precisely the powers of legislative and executive authorities, as well as remove the shortcomings of the parliament, which "is an inadequate reflection of the social and nationality composition of the republic." Local observers note that in this case, if the new Constitution of the Chechen Republic is

adopted, General Dudayev will become the sovereign ruler of the republic, and only decorative functions will remain for the legislators.

The deputies of the parliament spoke out sharply against the initiative of the president. On 14 February, the leader of the parliamentary group "Bako" ("Law") and chairman of the Committee of the Parliament for International Relations, Yusup Soslambekov, who is at the same time the head of the parliament of the Confederation of the Peoples of the Caucasus, in his speech on local television called the forthcoming poll of the population the preparation of a coup d'etat through a change in the constitutional order of the republic and said that the president is trying to take all power into his hands. Some deputies of the parliament have expressed their indignation about the fact that through his edict, General Dudayev is violating the presidential oath, in which he promised to defend the existing Constitution of Chechnya, and they reminded him that parliament has the right to dismiss the president from office for unconstitutional actions.

On 15 February the conference of the heads of the administrations of the Chechen Republic assessed the action of the president as "an attempt of a coup d'etat and the aspiration to establish a regime of personal power." The heads of the local administrations, having noted the incapacity of the authorities, demanded the resignation of the president, the government, and the parliament, as well as the holding of early democratic elections. Political observers of the republic note in connection with this that the actions of local leaders, who react most keenly to the sentiments of the local population of Chechnya, are indicative of the sharp fall in the authority of all structures of the ruling regime, not excluding the president himself. Incidentally, local administrations in many towns and villages of the republic prohibited the holding of the presidential poll. This, in particular, was reported by the city assembly of Grozny.

Having encountered massive protest and dissatisfaction, the president made concessions. On 15 February, the press service disseminated "Explanations to the Edict of the President," in which it is stated that the forthcoming poll will not entail a change of the Constitution. On 16 February, Dudayev signed a new edict, supplementing the preceding one, in which he again confirmed that the poll of the population does not have legal consequences and is only a means of revealing the opinions of the citizens of the republic, after which the president will prepare his proposals for constitutional amendments and present them for examination by the parliament. At the same time, the supporters of the president blamed the legislative organ for all the mistakes and failures of executive power.

On 16 February, a session of the parliament was held that discussed the question of the new wording of the Constitution submitted by the president. The discussion became stormy. The majority of the deputies were

sharply opposed to the poll on 19 February. As a result, the parliament prohibited the conduct of the presidential poll and adopted an amendment to the Constitution of the Chechen Republic, which the speaker, Khuseyn Akhmadov, had tried to attain for a long time. According to this amendment, in case of an acute crisis of power that paralyzes the executive and legislative organs, the parliament has the right to schedule extraordinary elections for parliament and president, after which the old structures of power must resign their powers. This amendment, as the deputies hope, will become a serious means of pressure on President Dudayev, who recently has more and more openly ignored the decisions of the parliament and is provoking a political confrontation. The parliament also adopted a decision on the holding, on 27 March, of a nationwide referendum about the state structure of Chechnya and about the attitude to the sovereignty of the republic. Thus, the development of the political situation and the sharp conflict with the president have led the deputies to an understanding of the necessity of a referendum, which during the so-called Chechen Revolution the democratic forces of the republic had demanded.

On 17 February, on the initiative of the deputy faction "Bako", a "round table" session of opposition movements and parties in the republic was held at the local university, in which representatives of the opposition, deputies of the parliament, scholars, writers, and journalists took part. The participants of the "round table" declared unanimously that the policy of General Dudayev is leading the Chechen people into a blind alley and that it is necessary to combine forces to resist the political crisis. In the course of the consultations, the Coalition Council of National and Civic Agreement was created, which was made up by the leader of the Bako group, the chairman of the Committee of the Parliament for International Relations, Yusup Soslambekov, the chairman of the opposition movement "Daymokh", Lechi Umkhaev, and other outstanding political figures of the republic.

Thus, the attempt of the president of Chechnya to enhance his power and to enlist the support of "a nationwide poll" in this struggle with the parliament, it seems, has initiated the unification of all the forces that come out against the policy of General Dudayev. The rapprochement of the positions of part of the deputies of the parliament, the opposition bloc, the intelligentsia, and the heads of local administrations will be able to exert a quite serious influence on the distribution of forces in Chechnya. At the same time, many are fearful that the entourage of President Dudayev is preparing a new surprise, capable of producing conflict in the camp of the president's opponents, or provoking an aggravation of the relations with Russia in order, again under the pretext of the threat of external aggression, to preserve the regime crisis that we now experience.

Strong Opposition to Draft Constitution Evident in Chechnya

934F0172A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Feb 93 p 3

[Unsigned article: "Chechnya." Article is under the rubric "NEGA Reports."]

[Text] "The Chechen people do not wish to accept dictatorship in any form," declared Khadzhi Murat Ibragimbeyli, chairman of the Committee for National Agreement of the Confederation of the Peoples of the Caucasus, and member of the Presidential Council, yesterday at a press conference. "Chechen events of recent days, however, are not at all indicative of a crisis of power in the republic. They testify only to the fact that today we have strong opposition which does not want to accept the new draft constitution."

Thus, after Dzhokhar Dudayev repudiated parliament's decision to cancel the referendum, a vote (this is what they prefer to call it in Chechnya) is still taking place, although—according to observers—in a very inactive way.

Because of a similar decision by the president, parliament insisted on a postponement of a trip to Moscow by Khuseyn Akhmadov, chairman of the Chechnya Supreme Soviet. According to Khadzhi Murat Ibragimbeyli, parliament's justification of this decision was that after Dudayev's declaration "it would be unwise for the chairman of parliament to be absent from Grozny."

Answering a question from a NEGA correspondent about plans for a scheduled round of Russian-Chechen negotiations at the end of February, announced by Sergey Shakhrai, Ibragimbeyli stated that only flexibility in actions by the Russian leadership, especially, the State Committee for Nationalities, could lead to a continuation of negotiations on long-range matters.

Stavropol To Reduce Number of Deputies

934F0172D Moscow LESNAYA GAZETA in Russian
2 Feb 93 p 1

[Article from ITAR-TASS: No title]

[Text] A draft "State Charter of Stavropol Kray," published for discussion by citizens of Stavropol, proposes to elect only 30 plenipotentiary representatives to the Stavropol Kray Soviet instead of the former 258. This proposal was made as an alternative to the present procedure used to constitute the kray representative body.

Krasnodar Kray Soviet Opposes Referendum

934F0172E Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 p 3

[Unsigned article: "Russia"]

[Text] The Krasnodar Kray Soviet of People's Deputies has come out against having an All-Russian referendum. Fourteen city Soviets and 33 district Soviets in Kuban

sent letters to the Kray Soviet with requests to use its right of legislative initiative by proposing to the Supreme Soviet of the Russian Federation that the referendum on the fundamental provisions of the new Constitution be called off.

Capability of Regions To Prevent RF Disintegration Examined

934F0183A Moscow *FEDERATSIYA* in Russian
No 21, 23 Feb 93 p 5

[Article by Vladimir Ivanov: "Will Provinces Save Russia?"]

[Text] If a process of disintegration of a state is underway, or a threat of it exists, as a rule it cannot be arrested or averted from the center. A certain threshold should emerge on the vertical line of power toward which the wave of disintegration rolls and, having been broken by this threshold, loses its destructive power. It appears that the central authorities of Russia have recognized this, and are trying to put to use the potential of the regions in order to preserve the statehood of Russia.

The opposition also had hopes for the regions. They saw the long-suffering Russian backwaters as a source of mass antigovernment movements, the sustaining medium of the people's militia which, like Minin and Pozharskiy in 1612, would sweep away the current authorities and restore a strong state. Despite the fact that the main dispute between the authorities and the opposition sort of took place in Moscow, in reality it kept moving to the regions more and more markedly. At present, political prospects for Russia depend on which side the regions choose to come out in favor of.

For now, one gets the impression that the central authorities have succeeded in tipping the scales in their favor. The development of the basis of a regional association in the North Caucasus, the recent conference of the Siberian Accord Association in Tomsk, with the participation of the prime minister and deputy prime ministers of the Government of Russia, a meeting on regional integration in the Volga area, which is being prepared—all of these are convincing proof that Moscow has embarked on and is engaging in a dialogue with the regions concerning the very serious issues of the economic and political betterment of Russia.

A certain falloff in the pitch of the separatist sentiment has become an objective result of this dialogue. Indeed, such sentiment may mount if every constituent part of the Federation comes to terms with the center on its own. However, by joining hands in the regions, as an old song goes, they have restricted their free hand somewhat. Now that they coordinate and reconcile their actions at the regional level, they are forced to reckon with their immediate neighbors, too, and not just with the center, against which it is easy to rouse ethnic and political movements in some places. The position of neighbors may effectively put a brake on the upsurge of separatist passions....

In other words, the regions still have an opportunity to arrest the disintegration of Russia. However, their success will hinge on the economic, social, and political results of their joint steps. Alas, statehood will not be defended at the regional threshold, either, unless these results are impressive.

Thesis of Regions as Partners of Center Explored

934F0183B Moscow *FEDERATSIYA* in Russian
No 21, 23 Feb 93 p 5

[Article by Georg Heinrich, professor of the University of Vienna, and Candidate of Legal Sciences Aleksandr Ivanchenko, chief of the political and legal department of the Russian Federation Parliamentary Center: "There Is No Self-Government Without Money"]

[Text] Democratic foundations of society and the welfare of the people depend on the degree to which the processes of distribution and redistribution are centralized. In highly developed countries, a large proportion of the national income is distributed at the local and regional levels. Poorly developed countries, as a rule, are forced to concentrate their monetary resources under the control of the central government. Which strategy should Russia opt for? Georg Heinrich, professor of the University of Vienna, and Candidate of Legal Sciences Aleksandr Ivanchenko, chief of the political and legal department of the Russian Federation Parliamentary Center, ponder this issue.

In Soviet times, the strategies of socioeconomic development fluctuated between the two extremes: political feasibility and economic effectiveness. For example, Stalin's concept strove to ensure political stability through centralized distributive arrangements based on the exploitation of the agricultural sector. Khrushchev's regionalization transferred some of the levers of distribution to local control for the sake of increasing efficiency. However, the willingness of economic management cadres to relocate to the provinces was overestimated. Gorbachev was not able to develop a "workable" regional policy, either....

Obviously, the new Russian leadership is forced to reckon with traditions which have been established over decades. Nonetheless, shifts are emerging in the relationship between the center and the provinces. To be sure, negative aspects prevail at present; there is no consistent regional policy concept.

The Russian Government has already repeatedly proclaimed its intention to shift the focal point of reforms from the federal to the regional level. Logically, various models for interaction between local and central organs should have emerged. Unfortunately, this has not happened. Moreover, the government, as it strives to keep its previous role as the supreme distributor, attempts to take the pressure off the federal treasury in the simplest way: by assigning "unnecessary" outlays to local budgets. As a result, the local budgets are not replenished. This cannot but cause a response on the part of regions;

peremptory shouts from the top are frequently answered with: "And then we will close the tap on you...."

Russian politics has its own lobbying mechanisms. For now, these are old, "ministry-based" ones: The leadership grants privileges and relief to certain industries. However, in the immediate future the interests of regions and their finance and budgetary priorities should apparently be acknowledged, too, because the welfare of an industry depends, to an overwhelming degree, not only on the amount of its output, but also on the social and ecological environment of enterprises and the provision of amenities in territories....

Ultimately, only the regions and the communities of people residing in them may be the natural partners of the central authorities. The sad fate of "Gorbachevian" acceleration indicates that large capital investment in any sector does not produce the desired result unless it is anchored to regional policy.

Besides, the success of Russian reforms is inconceivable in the absence of new sources of financing. For the most part, V. Chernomyrdin's government is still betting on foreign investment—the IMF, the World Bank, the European Bank for Reconstruction and Development. As is known, the above invest large amounts of capital, as a rule, for political considerations. In the process, creditors are interested in recovering the funds invested, if possible, at a profit. As a rule, their hopes are pinned on regions. Counting on direct investments in regions is a principle of the credit policy of the European Bank for Reconstruction and Development and the World Bank.... Perhaps a considerable segment of investment programs will soon be implemented at the regional level in Russia, too.

The same may be said about servicing the foreign debt. Given this approach, its main source is shifted to regions, to local enterprises.

Unfortunately, so far the government has not been guided by this truth. It is still trying to concentrate virtually all proceeds from exports and all available reserves. However, in this case the repayment of Russia's foreign debt will take 28 years, because the policy of stringent centralization of financial resources brings about the flight of capital to accounts abroad and the winding down of foreign investment.... Taking into account the potential of regional development, this period of time could be reduced by a factor of two or three.

In evaluating the strategy of the Russian Government in regional policy, it is possible to posit that the lamentable condition of the federal budget and IMF recommendations provided the main impetus for executive declarations concerning such policy. However, indebtedness will not be wiped out by declarations on making a transition to regionalization, as if by waving a magic wand; the deficit may only move elsewhere. For example, this was the case in the United States, where Reagan's "deregulation" unburdened the federal budget

at the expense of state and community budgets. However, Russia is not like the United States, in which local financing rests on a strong material foundation. This is why it is virtually impossible to mitigate the problems of the budget deficit by proclaiming the slogan "All power to the regions," while failing to take any substantive steps to expand their financial autonomy or to delegate to them at least some of the authority to distribute....

Just like democracy on the whole, regionalism is the "lesser evil." For regional policy to become reality, it is necessary to clearly define, at the legislative level, the powers of local self-government, indicating its privileges and the relief granted to it. This effort should proceed from balancing the interests of oblasts, rayons, and cities. A Russian Local Self-Government Declaration, adopted on a pattern corresponding to the European Charter, could provide a legislative basis for this effort.

The allocation of credit for regional development should be accompanied by a grant of great relief, which will make it easier for enterprises to service debts to domestic and foreign creditors out of their profits. This primarily calls for enhanced responsibility, too. On a concrete basis, regions and enterprises undertake to carry out precisely specified agreements with the government: the use capital investment in the production infrastructure, environmental protection, and the repayment of credit received before appointed deadlines....

As a first step, it appears feasible to select a few regions, develop appropriate drafts for their development, and make information concerning this available to Western investors. Sufficiently large regions should act as partners of the government, preferably regions with a varied ethnic makeup, taking into account the multinational nature of Russia. Experience gained in the course of such experiments would make it possible to get a better idea of the potential of regional policy and realistic ways to pursue it.

Udmurtiya Leader on Federation Treaty, RF, Udmurtiya Relations

934F0163B Moscow NEZAVISIMAYA GAZETA
in Russian 12 Feb 93 p 8

[Interview with Republic SupSov Chairman Valentin Tubylov by Radik Batyrshin: "Do Not Interfere With Our Work"; date and place not given]

[Text] UDMURTIYA. Republic Supreme Soviet Chairman Valentin Tubylov is in favor of a differentiated regional policy.

[Correspondent] What was for you the main outcome of the fourth session of the Council of Heads of Republics?

[Tubylov] The Federative Treaty will soon be a year old, but this document has not yet been consummated with real agreements. And this should have been the main question at the session; but, unfortunately, nearly all the

time went to discussion of the problem of the referendum. Thus, the draft which had been prepared for implementing the Federative Treaty was not signed. Even so, we succeeded in expressing our opinion on the basic principles of the state structure of the Russian Federation.

[Correspondent] And are you convinced that the Federative Treaty is a matter of paramount importance for the Russian authorities?

[Tubylov] At least the President of Russia has always confirmed his support of this document when he meets with us. But the Russian Government has always been very cool to the treaty. True, I do not know the position of Viktor Chernomyrdin, and this lack of knowledge allows me to hope for the best.

[Correspondent] December: the Congress of People's Deputies. The heads of the republics call upon parliament and the president to compromise. February: everyone returns to their own circles, and in effect the problems of the republics once again become second priority. Are you satisfied with this "peacekeeping" function of the Council of the Heads of the Republics?

[Tubylov] In fact, at the last two sessions the time was spent, for the most part, on stabilizing the political situation in Russia. And we do not have time to become directly involved in the problems of the regions, especially the economic ones. But the situation is forcing us to insert ourselves into the larger politics. In my speech I stressed that political instability in the Russian corridors of power is one of the primary reasons for the economic crisis. We succeeded in frankly expressing our opinion with respect to the struggle between the President and Parliament. I told Boris Yeltsin that the President must act as the guarantor of political stability, come to agreement with the legislative powers, and take up the economy at last.

[Correspondent] But there are problems in the state power structure in Udmurtiya. At the last session of the Republic Supreme Soviet, the deputies tabled the law on the president indefinitely...

[Tubylov] As early as the fall of 1991, the Supreme Soviet of Udmurtiya was in principle in agreement with the introduction of the post of president. A problem arose with the law on presidential elections. I am in favor of strengthening executive power in the republic, which is badly needed. We should not be having a conflict between the president and the government. According to the draft law, the Council of Ministers is directly headed by the president. But thus far the deputies have not supported this draft law. Perhaps the reason is found in the inertia of old stereotypes.

[Correspondent] What are the basic problems in relations between the center and Udmurtiya?

[Tubylov] The chief one is that the federal government must clearly define its taxation policy with respect to the

region. One cannot place Izhevsk and Vladivostok on the same level—each region has its own specific nature, and that means the tax rates must be different. The center must, through negotiations with us, consider our specific features with respect to federal taxes and not interfere with our work. We can cope with the remainder ourselves. With fair taxation we will be able to take care of ourselves; after all, Udmurtiya has never been a republic on the dole. Then we ourselves could deal with conversion of the Udmurt military-industrial complex, which occupies an enormous part of the industry in the republic. Right now we have no assets for conversion—that requires about 30 billion per year. If the military-industrial complex is a subject of joint jurisdiction of the republic and federal authorities, then the latter must assume the corresponding share of the responsibility. In addition, to this day the question of division of federal and the republic property has not been resolved.

[Correspondent] "NG" recently wrote about the fact that Estonian authorities have expressed their concern on the fate of the Finno-Ugrian peoples in Russia...

[Tubylov] That concern has been highly exaggerated. There is no national enmity in Udmurtiya. The Udmurt and Russian languages are the state languages of the republic. We have established favorable conditions for the study of the Udmurt language, but no one has any intention of forcing it on anyone.

RF Committee on Nationalities Policy on Status in Republics, Oblasts

934F0152A Moscow *FEDERATSIYA in Russian*
No 17, 13 Feb 93 p 4

[Article by the Information Analysis Center of the Russian Federation State Committee on Nationalities Policy: "What We Have in Russia...: On the Situation in the Republics and Oblasts of the Russian Federation in the Area of Interethnic Relations"]

[Text]

I. The Volga Area, the Urals and the Center of the European Section of the Russian Federation

Astrakhan Oblast

The oblast's administration has established a working group for preparing materials for the Russian-Kazakhstani intergovernmental agreement on joint use and protection of border rivers.

Kalmykia—Khalmg Tangch

Kalmykia has received material and financial support for evening out its economic system with those of the neighboring regions which are more developed in this respect—the Volga Area and North Caucasus. In accordance with an edict of the Russian Federation [RF] president, the Russian government adopted the Decree on Urgent Measures for State Support of the Social and Economic Development of the Republic of Kalmykia—

Khalmg Tangeh. It obligates all interested ministries and departments to ensure the allocation of funds and material and technical resources for the promotion in Kalmykia of projects for the construction industry, the processing of agricultural products and raw materials, wind-powered and steam and gas-powered electric power plants, television, radio and electric-power transmission lines, hard-surfaced roads, and water-reclamation and -supply systems. Special attention has been paid to the expansion of geological survey operations, the study of mineral resources and oil refining and to the fishing and fishery industries, taking into account the fishing quotas allocated to the republic in the north-western sector of the Caspian Sea. It has been calculated that implementation of all the outlined measures will take the next 3 years and provision has been made for the financing of the program to come basically from the Russian Federation's budget.

A group of 23 young people has been sent for training to India. Based on a preliminary agreement with the Dalai Lama, who visited Kalmykia in the summer of 1992, the youths have been sent for training to a monastery attached to his residence. After 8 years, two of them will acquire the profession of a Tibetan doctor and eight will be studying in a secular school.

A press conference took place in the Republic of Kalmykia's MVD [Ministry of Internal Affairs], which was devoted to murders of an interethnic nature. The Elista-Volgograd route has become an arena of interethnic conflict between a group of Ingushis and Ossetians. Three Ingushis who were driving home in a Kamaz car with Chechen plate numbers stopped next to a Kamaz car with North Ossetian plate numbers. As a result of harsh words, the Ingushis pulled out a pistol and killed two Ossetians, while the third, seriously wounded, was taken hostage and the vehicle set on fire. Along the way, having decided the hostage had died, they threw him out. The Kalmyk police arrived just then. As a result of the police operation, all three criminals have been rendered harmless. As was reported at the press conference, persons of Caucasian nationality have committed 11 aggravated assaults in Kalmykia over the past 3 months.

Karelia

In Petrozavodsk, the constituent assembly of the Ingermanland People's Movement for Rebirth—Inkeri Virkoaminen—was held. The movement's organizers are a part of the Inkerin Litto organization, which tried unsuccessfully to replace the leadership in order to radicalize policy. The head of the "schismatics"—Fedor Agava—was consequently removed from the board of Inkerin Litto.

Around 60 people attended the assembly and around 50 of them became members of the new association. Representatives of the Leningrad Finns were present.

In the newspaper SEVERNYY KURYER, there appeared a report, a commentary letter from Karelian Supreme Soviet Chairman V. Stepanov to RF Supreme

Soviet Chairman R. Khasbulatov. Proposed in the letter was the following formulation of a question on the impending 11 April referendum: "Do you support the territorial integrity of the Russian Federation as a multi-ethnic federative state, relations in which are built based on the Federative Treaty and bilateral agreements between the federal organs of state power and the organs of power of the Federation's subjects?" The letter with the suggestion to place only this question on the impending 11 April referendum was received by RF Supreme Soviet Chairman R. Khasbulatov. Any other question, in Stepanov's opinion, can be solved by the RF Congress of People's Deputies.

Kurgan Oblast

The Kazakh Social and Cultural Center, Shanrak, held a meeting, at which its governing bodies and chairmen were elected and a plan for subsequent work was outlined.

Orenburg Oblast

The Orenburg Muslim Youth Social Center (OMMOTs) posted in the city leaflets in which it called on the Muslim population to help expel the "barbarians and occupiers"—the Russians, who do not have currently "even a national autonomous okrug," and to hold a referendum "On the Boundaries of the Russian State." On 19 January, the oblast administration's department on nationalities policy held a special meeting with the leaders of the ethnic cultural centers in connection with OMMOTs' proclamations.

Participating in the meeting were the chairmen of the Bashkir and Kazakh oblast societies, the Tatar oblast social center, the German society, "Rebirth," the Orenburg division of the Russian Cultural Fund, the Russian oblast ethnic center, and OMMOTs Chairman Khusain Gadelshin. He clung to the previous position on the struggle with the "occupiers," which the muslim youth center has been engaged in since the day of its registration in May of 1992. The activities of OMMOTs were condemned by all the oblast's ethnic cultural movements.

The chairmen of the Bashkir and Kazakh societies signed on 19 January a joint declaration of dissociation with OMMOTs, which was transmitted in the mass media. Four days later, similar declarations were put forth by the Oblast Muslim Center, the Municipal Orenburg Tatar Center and the editorial staff of the Tatar newspaper YANYVAKYT. The oblast procuracy issued a statement with respect to OMMOTs for inciting interethnic and racial strife (Article 74 of the RSFSR Criminal Code). Khusain Gadelshin was warned that, in the event of a repeated violation of the law, a decision will be taken on closing the Orenburg muslim youth center.

Saratov Oblast

Speaking at a session of the Congress of Volga Germans, the chairman of the Volgograd oblast society, Rebirth,

Mikhail Peters, noted that the program made no provision for the establishment of ethnic state formations and the main point in the program was the development of agricultural product processing, which the oblast needed very much. Provision has been made for the construction of 500 houses for Germans arriving in the Volga area, mainly in Kamysinskiy Rayon. The program received approval in the intergovernmental Russian-German commission. Penza Oblast Administration Chairman Kuznetsov confirmed the invitation sent by the administration to the chairman of the Union of Germans, Gugo Vormsbekher. It was stated in the invitation that Germans can settle in Penza Oblast and the allocation of land and housing is guaranteed, including even in the oblast center. Stanislav Krauze gave a report about the program for the migration of Germans of the CIS into the Volga area. The program considers that territory of Saratov and Volgograd oblasts which made up the autonomous republic to be the primary migration regions. The program envisions the migration of 300,000 people up to the year 2000, which will require the construction of housing, hospitals with 27,000 beds, cultural institutions with 17,000 places and more than 1,000 kilometers of roads. In order to provide employment for the populace, it will be necessary to construct 36 new industrial enterprises and to renovate 30 existing industrial enterprises.

Tatarstan

The first foreigner has expressed the desire to obtain Tatarstani citizenship. It was an entrepreneur from Germany living in Naberezhnyye Chelni. Zigfried Khagedorn [Sigfried Hagedorn].

Udmurtia

The Udmurtian Council of Ministers intends to sign a treaty on the joint Russian-Czechoslovakian venture, Uralneft [Ural oil], and on the joint use of two oil fields in the republic. An SP [joint venture] has been established by the Udmurtneft [Udmurt oil] Association and the Invest-Leasing Company. A contract is supposed to be signed for 20 years. Over this period, according to the predictions of the Council of Ministers' specialists, the republic should receive \$33.5 million in the form of payments for mineral resources. At first, the SP will be exempted from payments into the Udmurtian budget but, starting in 1995, everything is supposed to be reimbursed. After the preparatory work, Udmurtian Deputy Prime Minister Ravil Karimov is supposed to sign the contract on behalf of the republic.

As has become known, some problems have emerged with regard to the matter of the issuing of a general license for exporting weapons from Udmurtia. Up till now, the sale of weapons has been handled by the foreign trade company, Baykal, established under the Izhevsk Machinery Plant PO [Production Association] (this is the main producer of weapons in the republic). However, at the suggestion of the well-known "patron of the republic" and the RF president's advisor on conversion

matters, M. Maley, the joint-stock company, Kalashnikov, was set up, for which the Udmurtian Council of Ministers will also plead in Moscow. According to some information, this proposal was not supported by the Ministry of Justice and, apparently, not because they did not ask the consent of the well-known designer. After prolonged arguments, the Council of Ministers' Presidium came to a preliminary agreement—let both these organizations offer the republic's military products in the foreign marketplace. According to unverified information, Adjaria, which is preparing to form its own motorized rifle division, intends to appeal to Udmurtia for assistance in equipping it with weapons.

Chuvashia

At the final session of the Supreme Soviet, the rotation of the Supreme Soviet's Presidium was carried out. Supreme Soviet Chairman E. Kubarev raised the matter of the elimination of four permanent Supreme Soviet commissions, giving as the reason for this their excessive number (15). The candidates for the cut-back were the commissions on ecology, on the mass media and liaison with public organizations, on construction and architecture and on consumer goods. According to the assessments of observers, what links them together is the fact that the chairmen of the commissions do not have good relations with the Supreme Soviet's chairman. The discussion of this matter ended up in a series of scandals. As a result, the deputies agreed to the elimination of three commissions. The commission on ecology was retained by an overwhelming majority.

II. The North Caucasus

Dagestan

The leader of the People's Front imeni Imam Shamil (which is uniting the Avars), Dagestan People's Deputy G. Makhachev announced a moratorium on the front's political activities "in connection with the situation in North Ossetia and Ingushetia." The NF [People's Front] is ready to go further and declare itself disbanded if all the socio-political organizations in Dagestan will follow its example.

In the opinion of the NF leadership, the activities of a number of ethnic movements in the republic against the background of the interethnic and territorial problems between the peoples inhabiting Dagestan may lead to the point that the situation may get out of control at any moment. This, in turn, may destabilize the situation in the North Caucasus region.

The NF leadership is also proposing ceasing its own political activities in the Congress of Dagestani Peoples, which was established in November of last year as an association of public organizations, political parties and ethnic movements which are in opposition to the republic's government.

Kabardino-Balkaria

Until the next Congress of the Kabardin People, this session of congress appointed RF Supreme Soviet member and chairman of the Shapsugiya committee, M. Tumov, acting chairman of the Congress of the Kabardin People in place of Yu. Kalmykov who resigned this position. This session also presented its own candidates for the government of "National Harmony" for the positions of ministers of economics, culture, education and information and the press, as well as chairman of the republic's Goskomnats [State Committee on Ethnic Affairs].

The Ministry of Culture of the KBR [Kabardino-Balkarian Republic], together with the Kabardin ethnic and socio-political organizations, held a one-day telethon to help the children of Abkhazia. This by no means first joint action testifies to the fact that the power and ethnic structures, through the mediation of representatives of the diaspora abroad, are taking the first steps toward cooperation.

A decision was made in the KBR to reorganize the Ministry of External Relations and Ethnic Affairs into two departments: the Ministry of Foreign Affairs and the State Committee on Ethnic Affairs. The total budget of the new departments will not exceed the budget of the ministry which previously combined them. It is assumed that one of the departments will earnestly handle the problem of repatriates desiring to return to their historical homeland (according to some estimates, the Cherkessian Diaspora abroad amounts to 4 million people).

The Republic of Adygeia

There took place in Maykop a Great Circle [assembly] of the Union of Cossacks of Adygeia, which was devoted to the elections of atamans [chieftains]. Ataman A. Tarasov, who had held two positions, remained ataman of the Maykop branch, while V. Yermolenko, former one-time ataman of the northern kuren [unit] of Maykop, was elected ataman of the Union of Cossacks of Maykop.

Participants in the Great Circle placed a stone in the old city cemetery, where a chapel will be built.

Twenty-four RA [Republic of Adygeia] People's Deputies addressed a letter to Adygeian President A. Zarimov, in which two demands were put forth: 1) turn over to the Cossacks the Supreme Court Building where, prior to the revolution, allegedly, the Cossack Uprava [council] was housed; 2) assist in financing the Cossack Choir established in Maykop.

While the first request was refused (a study of documents showed that the Supreme Court Building had been built in 1890 and, prior to 1917, the gendarme [police] administration was housed here and the jail was in the basement), the second request has been satisfied: the RA

Ministry of Culture has included in the budget the necessary funds for financing cultural enlightenment measures.

A staff member of the RA Committee on Nationalities Policy and External Ties has been sent to Sochi to distribute shipments of humanitarian aid for Abkhazia from Adygeia.

North Ossetia and Ingushetia

According to information from the headquarters of the Provisional Administration on the Territory of the North Ossetian SSR and the Ingush Republic [IR], the state of emergency has been maintained, however, the crime-caused situation remains complicated as before. Every day, 20-30 crimes and incidents are being recorded, dozens of people are being detained for violation of curfew and from 30 to 50 vehicles are being seized in the course of motor transport examination. In all, over the period from 12 November, 1992, through 25 January, 1993, in the state-of-emergency zone, members of the RF MVD's operational investigation group seized 576 firearms, 11 armored vehicles, 150 grenades and 50,000 rounds of small-arms ammunition. The whereabouts of 143 people who were listed as missing have been established. Around 500 investigations have been conducted.

In connection with the RF president's appeal and the recommendation of the RF Security Council, in accordance with Article 13 of the RSFSR Law on the State of Emergency, the RF Supreme Soviet adopted a decree on extending the validity of the state of emergency on the territory of the NO SSR and the Ingush Republic for the period from 2 pm on 30 January, 1993, to 2 pm on 31 March, 1993. This same decree instructs the Provisional Administration on the Territory of the NO SSR and the IR to ensure the maintenance of public order during the conducting of the 28 February, 1993 elections for IR president.

In addition, the RF Government adopted a decree on allocating from its own reserves additional funds in the amount of 150 million rubles [R] to support the activities of the joint investigative team of the General Procuracy, the MB [Ministry of Security] and MVD of the Russian Federation, which was formed in accordance with the decision of the 7th Congress of People's Deputies of Russia to investigate the circumstances of the beginning of the armed conflict on the territory of the NO SSR and the Ingush Republic.

In the opinion of the commander of the RF MVD's internal troops, Major General A. Kulikov, "at the present time, there are no indications of preparations for the renewal of large-scale combat operations between North Ossetia and Ingushetia." However, complications may be expected in the spring, when the passes open up and armed volunteers may return home from Abkhazia, which, in A. Kulikov's opinion, will create additional difficulties in North Caucasus, which is oversaturated

with weapons as it is. According to A. Kulikov's estimate, the populace of North Caucasus has on hand from 130,000 to 150,000 rifles.

At the session of the NO SSR's Supreme Soviet, the deputies, having discussed the results of the first stage of negotiations in Kislovodsk, considered it advisable to instruct the North Ossetian delegation to continue the negotiations.

At the same time, at the session, a number of deputies expressed resentment at the fact that the RF Supreme Soviet's decision to extend the state of emergency on the territory of the North Ossetian SSR and the Ingush Republic was again made without regard for the North Ossetian Supreme Soviet. The deputies adopted their own decree on extending the state of emergency in North Ossetia. Also adopted was a declaration addressed to Russian President B. Yeltsin in connection with the Russian-Georgian negotiations. Pointed out in the declaration was the need for the participation of Ossetian representatives in the determination of the status of the border between Russia and Georgia.

The Chechen Republic

The latest round of Russian-Chechen negotiations, which took place in Moscow, must be considered a major event. These negotiations were preceded by a meeting of the Russian government's deputy prime minister, S. Shakhrai, and the chairman of the RF Supreme Soviet's House of Nationalities, R. Abdulatipov, on 14 January in Grozny with the leadership of the Chechen parliament, in the course of which an agreement was reached in protocol form on preparations for a treaty "On Mutual Delimitation of Authority."

The reason for the contradictory reports was the telegram of the Chechen MVD, which indirectly disavowed any negotiations with the parliament, citing the fact that these negotiations are supposed to be conducted at the presidential level (the Moscow delegation was headed up by the deputy chairman of the Chechen parliament, B. Mezhidov).

The head of the Chechen delegation himself emphasized that the delegation's authority was not in doubt, inasmuch as its make-up and functions had been approved by the president and the parliament the day before the start of the Moscow negotiations. The question of the authority of the delegations conducting negotiations on behalf of Chechnya with the leadership of Russia is very acute in the ChR [Chechen Republic]. Thus, the Executive Committee of the National Congress of the Chechen People demanded the removal of First Deputy Prime Minister Ya. Mamodayev from his position and the conducting of a parliamentary inquiry into his activities in connection with Mamodayev's recent trip to Moscow and discussion there of a version of a treaty closely resembling the structure of the Federative Treaty. The movement "In Defense of Chechnya's Independence" in parliament saw in the formulation of the name of the treaty, recorded in the protocol signed in Grozny on 4

January, an infringement on the sovereignty of Chechnya and the signatures of the Chechen representative on this protocol as their readiness to sign a document duplicating the Federative Treaty with Russia.

Russian Deputy Prime Minister S. Shakhrai declared that, despite the haziness of the situation (meaning the Chechen MVD's telegram), the Russian side is prepared for negotiations.

Discussed in the course of the negotiations were the immediate problems of a financial and economic nature and the interaction of the law-enforcement agencies, as well as the form of the treaty proper.

An agreement was reached that, approximately in the last third of February, after studying the proposals put forward at the last meeting, the parties will hold the next round of negotiations.

Stavropol Kray

At one of the last sessions of the kray's Soviet of People's Deputies, it was mentioned that the Cossacks of Stavropol are actively participating in the interethnic conflicts and actually aggravating them even more. As the head of the kray's administration, Yevgeniy Kuznetsov, declared, around 30 times over the past year, the police have had to intervene in conflicts in which the Cossacks were participating—if only to neutralize the dangerous situation caused by them.

III. Siberia and the Far East

Tyumen

The Minor Soviet of the oblast soviet decided to publish for the 50th Anniversary of the formation of Tyumen Oblast (August, 1994) novels by local writers, tales of the Khanty and the Mansi and books about the oblast's cities and allocated R60 million for these purposes.

Tyumen—Omsk—Pavlodar

Thanks to the personal meeting of the head of the Pavlodar administration, Asygal Zhabagin, with RF Prime Minister Viktor Chernomyrdin, the former managed to defend the idea of the joint construction in Pavlodar of the second section of the oil refinery.

An agreement was signed with Omsk Oblast on joint operations for protecting the environment and combating crime.

The people of Tyumen agreed to ensure an oil delivery schedule which is more convenient for the people of Pavlodar, i.e., to reduce the number of direct suppliers from 12 to 3. The people of Pavlodar managed to reach an agreement with the contiguous oblasts of Russia on direct mutual settlements, on maintaining the existing economic ties, on the procedure for the functioning of communications and on many other matters.

The Republic of Tuva

The Republic of Tuva's minister of economics, Valeriy Solchak, declared that the experience of 1992, when the development of deposits was carried out with the involvement of crews from other regions, showed that the leasing of gold-bearing sections actually removed gold mining from the control of the Tuva leadership.

According to the information of the Tuva-zoloto [Tuva gold] Association, over the course of the season last year, the prospectors panned out no less than 500 kilograms of mined gold. In all, this brought into the republic's budget R75 million. It is being proposed that the right to mine gold be monopolized by the Tuva-kobalt [Tuva cobalt] Combine as an alternative to leasing the deposits.

Buryatia

It has been proposed that the first convention of "domestic" Old Believers be held on 5 March in Ulan-Ude. Examined at it will be the questions of the spiritual culture of the Russian and Buryat peoples. The organizational committee for the preparations and conducting of the convention has appealed to the leaders of the rural rayons, enterprises and banks with a request that they render assistance and financial support for holding it.

The Law "On the Nomadic Tribal Community of the Numerically Few Peoples of the North" was adopted at the session of the Republic of Sakha's Supreme Soviet. The nomadic tribal community is being established for the revival, preservation and development of the way of life, culture and language of the numerically few peoples of the North. The community, as a distinctive form of conducting natural resource use and management with its mobile and nomadic nature, ensures the protection of the civil, economic, political, social and cultural rights and freedoms of its members and preserves the territory of the traditional resettlement with its natural resources. The community, being an equal link in the state's economic system, enjoys its protection. The members of the community, in accordance with the law, may be Eveny, Evenki, Yukagiry, Chukchi, Dolgany and members of their families, as well as representatives of the indigenous peoples of Yakutia and other ethnic communities of the North, who permanently live on the territory of the community and lead a traditional way of life on an equal basis with the numerically few peoples of the North.

Khabarovsk Kray

The principles for the development of the unique Russian-American project for preserving the ecological balance around Lake Baykal can also be used for the territory of the Ussuri River Basin (the Far East). The proposal on cooperation in the development of a program for rational natural resource use in this region came to the Far East Institute for Ecological and Water Problems from the Center for Russian-American Initiatives.

Caucasus Nations Confederation Against Armed Forces in Abkhazia

934F0172F Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 p 3

[Article by Igor Terekhov: "Only Volunteers Will Do the Fighting: The Presidium of the Confederation of the Peoples of the Caucasus [CPC] Cancelled the Order To Organize CPC Armed Forces in Abkhazia." Article is under the rubric "North Caucasus."]

[Text] As announced by Khauði Sheriyev, charge d'affaires of the CPC, at a meeting of the Presidium of the CPC Parliament held in Pitsunde (Abkhazia), the order by Musa Shanibov, president of this organization, to establish a headquarters for the armed forces of the Confederation in Abkhazia, was cancelled.

The Presidium of the CPC declared that the Confederation does not intend to create any kind of armed forces for itself in Abkhazia, but will continue to provide all possible assistance to Abkhazia, including volunteers from among the peoples who are members of the Confederation.

A resolution was adopted at the meeting of the Presidium of the CPC Parliament, which states in part: "The government of Russia is virtually ignoring the decree of the Russian Parliament, dated September 25, 1992. Transfer of Russian arms to Georgia is continuing, and so is economic support. The CPC considers that Russia should refrain from concluding a treaty of friendship and cooperation with Georgia until the Abkhaz-Georgian conflict is resolved."

According to members of the CPC, the presence of Russian troops in Abkhazia fulfills a peacekeeping mission, and the question of their status and stationing should be resolved on the basis of a mutual agreement between Russia and Abkhazia.

"The CPC considers that the leadership of the North Caucasus republics should persistently try to obtain from the Russian and Georgian governments the unconditional withdrawal of Georgian forces from the territory of Abkhazia and a political settlement of Abkhazian-Georgian mutual relations. From its part, the CPC which is concerned about the military-political activities of the Georgian leadership, is prepared to take every necessary measure to protect the peoples of Abkhazia," states the conclusion of the resolution of the Presidium of the CPC Parliament.

Ethnic Tensions Seen Rising in Karachayevo-Cherkess Republic

934F0208B Moscow ROSSIYSKAYA GAZETA in
Russian 4 Mar 93 p 6

[Letter by Makhmud Bayramkulov, settlement of Kavkazskiy, Prikubanskiy Rayon, Karachayevo-Cherkess Republic: "Alarming Letter—the Caucasus Is Already on Fire...."]

[Text] The Caucasus has turned out to be one of the most alarming zones. Is this an accidental fact or not? I think not.

Purposeful secret work is going on to exacerbate the situation in this region. Efforts are also being applied to raising tensions in the Karachayevo-Cherkess Republic—one of the most stable regions of the Caucasus. Two forces have gotten together in this black deed—the super-national extremists and representatives of Russian chauvinism in the form of the reactionary leadership of the Cossacks.

The people of Karachay-Cherkessia firmly had their say on 28 March 1992 in a national poll, where more than 80 percent of the population came out for a united Karachay-Cherkessia within the Russian structure. And this was in spite of all kinds of provocations of extreme reactionary forces to disrupt the poll in those population centers inhabited mainly by Karachays, Circassians, Abazins, Nogays, Greeks, and Ossetians. However, 95-97 percent of the population expressed itself for the preservation of a single republic within the Russian structure. Approximately the same thing happened with the Russian-speaking population.

It can be said with confidence that the peoples of Karachay-Cherkessia will be able to maintain their unity within the Russian system. But, for this, it is necessary to fight and to expose those who sow seeds of discord between peoples of the republic of the region [as published].

In a ROSSIYSKAYA GAZETA article on 4 August 1992, "Congress Under an Open Sky," Yuliy Kostinskiy describes an enthusiastic meeting of the Karachay people with the president of the Chechen Republic. But, after all, the meeting was organized by a small group of extremists, who did not represent all of the people, and the so-called "congress" did not represent anyone. We congratulate the Chechen Republic and its legally elected president, but this does not mean that all of the ideas of the Chechen revolution can be exported to other regions, including to Karachay-Cherkessia.

I do not understand why the president of an unrecognized Chechnya was able, without the consent of Russia, to drive with armed submachine gunners and armored personnel carriers through dozens of military posts of Russia?

An anti-Caucasus policy is being waged from the pages of the press, pushing the people of the Caucasus from their own natural ally—Russia—into the arms of the national extremists.

While reading articles like this, there is a lot for the people of Russia to ponder. Because the Caucasus is already on fire, and it will not get better for anyone if the flames of the fire spread over the regions of Russia.

RF Constitutional Court Supports Congress of Kabardin Nations

934F0172G Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 p 3

Unsigned article: "Kabardino-Balkaria"]

[Text] The Russian Supreme Court rejected the presentation of the prosecutor of the Kabardino-Balkarian Republic regarding the cessation of activities by the Kabardinian People's Congress (KPC).

As is well known, the KPC was charged both with attempts to replace the legal organs of power and with illegal actions in conducting activities in Nalchik in support of Abkhazia, including during the unsanctioned ten-day meeting in the autumn of 1992.

Buryat Draft Constitution Viewed

934F0208A Moscow ROSSIYSKAYA GAZETA
in Russian 4 Mar 93 p 6

[Article by Vil Kikot, expert on the Constitutional Commission of Russia, under the "National Policy" rubric: "The State Serves the Individual. Not the Other Way Around"]

[Text] The draft constitution of the Republic of Buryatia is analyzed by Vil Kikot, an expert on the Constitutional Commission of Russia.

The document of the Basic Law of Buryatia that was prepared by the Constitutional Commission of the parliament of the republic takes into consideration the constitutional and legal experience both of our country as well as of some foreign countries. It possesses many virtues: The name of the state—the Republic of Buryatia—is free from ideological stamps; political and ideological diversity, a multiparty system, and the barring of party organizations from state organs are determined; the principle of a social economy as the basis of an economic system is being established; private property and a concept of public property are being introduced; in many cases, the action of the laws of the Russian Federation in the Republic of Buryatia is being recognized; the rapacious exploitation of land is being prohibited; the rights of consumers are being protected; and the development of the national cultures of the peoples of Buryatia is being defended.

Provisions concerning the basic legal position of the citizens deserve respectful treatment: the mutual rights and responsibilities of the citizens and the state, and equality of rights. Also corresponding to modern concepts is a list of rights and freedoms and also articles on personal rights and freedoms; on social, economic, and cultural rights and freedoms; on political rights and freedoms; on guarantees of the rights and freedoms of citizens, including the rights of citizens to self-government, and the introduction of the position of people's legal defender.

The part on the organization of state authority in the Republic of Buryatia was prepared at a high level. All of this makes it possible to evaluate the draft favorably. At the same time, some features of this document require a more critical examination. First of all, the structure of the draft raises certain doubts. The inclusion in Part I

not only of principles, but also of the broader fundamentals of the state structure of the Republic of Buryatia (its state system, economic system, and social policy) places these sections before the fundamentals of the legal position of citizens (Part II). Thus, the peculiarity of Soviet constitutions with their priority of the state and society over the individual is preserved. A majority of the democratic constitutions of the world and the draft of the new Constitution of the Russian Federation place the position of the citizens before the civil society and the civil structure, for society and the state must serve the individual. Contrary to this, the draft Constitution of Buryatia places the rights of citizens in the last place, after the state organs, enterprises, and public organizations.

The forms in which the sovereignty of Buryatia are expressed also seem to be somewhat exaggerated: The exclusive right to all of the territory and natural resources is a treaty and not a treaty-constitutional basis of the economy of the Russian Federation, and so forth. These provisions partly contradict the federative treaty.

Certain provisions concerning civil society also raise questions. It is hardly proper to place the transformation of national (state) enterprises into collective or private enterprises depending only on the desire of their labor collective. After all, national property is distributed among enterprises extremely unevenly. General interests should form the basis for the resolution of such questions, and not only the desire of one labor collective, which, of course, should also be taken into account.

The question is whether it is feasible to apply departyization (Article 12) even to the soviets (khuraly)—party factions among people's deputies are necessary under conditions of a multiparty system.

In my opinion, there are also substantial shortcomings in the resolution of a number of questions on the state structure. The old recognition of the soviets as the basis of the state contradicts the principle of separation of powers, which is new to us. This principle is also contradicted by terminology (differentiation of the organs of authority and administration). These are a direct preservation of the institutions of Soviet authority of the 1920's and 1930's proposed in the draft: a republican congress of soviets, production electoral districts, the possibility of the early release of judges (as well as other official persons) from positions "in the event of improper execution of their duties," without the necessary conditions and formalities that protect the independence of judges.

For some reason, only anticonstitutional acts under the law are deprived of force. It should also be anticonstitutional laws.

Consideration of the problems of the constitutional development of the Republic of Buryatia brings forth one more serious problem—not touched upon previously, but urgent for the entire Russian Federation. It is the question concerning a correction of the "injustices"

caused in the years 1937-1938 to the Buryat people, consisting of the division of its integral territory and the people themselves into several parts: the Republic of Buryatia; the Aginskiy and Ust-Ordynskiy Autonomous Okrugs; the Olkhonskiy Rayon of Irkutsk Oblast; the Ugdanskiy Rayon of Chita Oblast; and also a number of population centers beyond their borders. What is meant is the "restoration" of the unity of the Buryat people by way of returning the aforementioned autonomous okrugs, rayons, and population centers to Buryatia.

Obviously, a problem exists, and it undoubtedly has a constitutional character. It has to be discussed and resolved, using for its resolution the kind of legal mechanism as the will of the population of the aforementioned territories. But, at the same time, in my opinion, it would be advisable also to include in this mechanism the adoption of an appropriately coordinated resolution of the parliament of Russia.

Tatarstan To Free Food Prices

934E0200A Moscow IZVESTIYA in Russian 27 Feb 93 p 2

[Article by journalist Boris Bronshteyn, Kazan: "Prices of Products in Tatarstan Will Not Be Restrained in the Future"]

[Text] The Tatarstan government no longer intends to fight against the prices of food products, by paying the producers billions of rubles in subsidies from the budget. The policy of the mild entry into the market no longer justifies itself at this stage.

"Tatarstan will start moving along a new path," Ravil Muratov, the republic's vice-premier, stated in a live broadcast to the radio listeners.

What is this new path? The prices that today are completely moderate will be set free and, in all probability, will become higher than the Russian ones. In parallel, the Tatarstan government will raise the level of wages for its citizens and will maintain a balance between the population's income and the cost of the consumer basket. The higher prices will prevent the shipping of products beyond the confines of the republic, and the higher wages will make those products accessible for the inhabitants of Tatarstan.

But the chief item in the new policy is specifically-addressed social assistance. Previously, thanks to the subsidies, the state's assistance was distributed evenly among the population. Now it will be rendered selectively—to retirees, children, disabled individuals...

By changing its tactics, the Tatarstan government hopes, as a minimum, to preserve the current level of consumption.

Tatar Vice President Seeks To Expand Tatar, St Petersburg Ties*934F0165B Moscow MOSCOW NEWS in English
4 Feb 93 p 1*

[Article by Andrei Chernov: "Kazan Makes a Window Into Europe"; first paragraph is MOSCOW NEWS introduction]

[Text] Vitaly Likhachev, vice-president of Tatarstan, tells MOSCOW NEWS about the first official visit of his republic's delegation to St. Petersburg.

Publicity was not our objective. It was a working visit which featured conversion of the defense industry to civilian production. In 1941 many arms factories were relocated from Leningrad to Kazan. Quite a few people who live in Tatarstan today were born in Leningrad and there is a lot of cooperation between arms manufacturers in Tatarstan and St. Petersburg. We discussed ways to expand ties between universities in Kazan and St. Petersburg, both of which have a very old history, and the situation of ethnic Tatars in St. Petersburg. We see eye to eye on all issues. There are plans to open a Tatar-language school in St. Petersburg and an Islamic cultural centre. Soon St. Petersburg will also have a Tatar trade mission. Another field of cooperation is exchange of information on crime and joint law-enforcement efforts. A general agreement on the priority areas of cooperation will shortly be finalised.

New oil-fields have been discovered in the east of Tatarstan and in other areas of the republic, and they were another topic we addressed. I am also taking home proposals on joint construction of a quay in the St. Petersburg port. We are exploring the possibility of a similar project in Klaipeda. The Volga is a waterway bringing us directly to St. Petersburg and from there, to Nordic countries where there are also ethnic Tatars.

While in St. Petersburg, I was often asked by the press about Moscow's response to the visit. My answer is it will meet with understanding. We are not going to break up the Russian Federation. What we are trying to do is reshape it politically, socially and economically.

Bashkortostan Wants Changes in RF Law on Currency Regulation*934F0163A Moscow KURANTY in Russian 5 Feb 93 p 8*

[Article by Rashit Ayupov: "There Will Be Collections and That's That"]

[Text] UFA. The Supreme Soviet of the Republic of Bashkortostan has adopted a decree which proposes that the Russian Federation Supreme Soviet introduce to the Law of the Russian Federation of 9 October 1992, "On Currency Regulation and Currency Control," the following amendments. Add to paragraph 3 of point 1, Article 3, of the aforementioned law the words: "and by the laws of the republics belonging to the Russian Federation."

The fact of the matter is that the Russian law establishes that the kinds of mandatory payments to the state (taxes, duties, customs and other gratuitous payments) in foreign currency shall be determined by the laws of the Russian Federation; at the same time, point 3, Article 11 of the Federative Agreement attributes the establishment of common principles for levying taxes and duties to the contemporaneous jurisdiction of the organs of state power of the Russian Federation and the organs of state power of the republics belonging to the Russian Federation. Moreover, point 3 of the Annex to the Federative Agreement from the Republic of Bashkortostan independently defines the general principles for levying taxes and duties for the budget in consideration of the laws adopted in the republic and the supplementary agreements on this question with the corresponding federal organs.

The decree of the Bashkir parliament also proposes adding to point 2, Article 11 of the aforementioned Russian law the phrase, "Organs of currency control in the republics belonging to the Russian Federation shall be defined by the laws of the corresponding republics belonging to the Russian Federation."

Bashkortostan Anticipates Drop in Oil Production*934E0222B Moscow DELOVOY MIR in Russian
25 Feb 93 p 8*

[Article by UFA journalist Rashit Ayupov: "There Is More Water Than Oil in the Well"]

[Text] This year, compared with last, production of oil in Bashkortostan will drop by 3 million tonnes due to the depletion of most deposits of this black gold. Currently, only 60,000 tonnes of oil is extracted daily, which is 5,500 tonnes less than a year ago. Drilling of new oil wells also has been scaled back, and 18 drilling teams disbanded.

Especially serious problems are caused by the great water content of the deposits. For instance, in order to extract a tonne of oil, it is necessary to pump out 11.6 tonnes of produced water from the well, which is 0.3 times more than industry's average. These are the residual consequences of the "creative" application of the flooding system, which has been widely and intensively used since the 1970's, when Bashkortostan held annual production of oil at the level of 40 million tonnes.

Today, when all deposits in the republic have entered the late and final stage of utilization, no stabilization of extraction can be expected. Nor can we expect to discover new major deposits on the territory of Bashkortostan, since over the past six decades everything here has been prospected and studied in detail by scientists and geologists.

Recently about 50 foreign companies visited here to look at the situation in oil production, but none took the risk of investing, because it is no longer possible to count on high profits in the Southern Urals due to the low yield of an overwhelmingly greater share of the oil.

Only PWE-DEA, a German firm, took the daring step to develop—at its own expense—a project for the application of reagents at the Arlan deposit; the implementation would have permitted oil yield to increase by 10 points by way of increasing the viscosity of oil. However, financial problems and absurd taxation make it impossible to implement the project in practice. Oil refineries today owe Bashneft 28 billion rubles, and Bashkortostan enterprises account for almost one-third of them.

Whatever the situation, at this point the republic economy still mostly rests on oil and petroleum products. This year Bashkortostan was given an export quote of 3.5 million tonnes of oil and 6.2 million tonnes of petroleum products to neighboring and foreign countries. These figures may be revised downwards if the oil industry produces less than planned and the oil refining and petroleum processing industries produce less than the target quotas of diesel and ship fuel, automotive gasoline, boiler oil, lubricants, petroleum asphalt, synthetic resin, fertilizers, etc. By the way, this entire list of petroleum products is included in the general export quota list.

Over the past three years Bashkortostan has exported more than 4 million tonnes of oil. The republic reached the 3.3-million tonnes export level in 1992. In the specialists' opinion, however, it is necessary to send even more oil and petroleum products abroad in order to plug the holes that have emerged in the republic food market, in the ecology, and the technical condition of the entire petrochemical complex. Because of the sharp drop of oil production in Russia, however, Bashkortostan has been given minimal export quotas in order not to tip the federal fuels and energy balance.

Reform as Viewed in Novgorod Oblast

Bureaucratization of Reform in Regions Criticized

934F0162A Moscow KURANTY in Russian 11 Feb 93 p 7

[Article by A. Pankov: "Confrontation No Whim"]

[Text] I am not a man of "right mind." I am for the referendum.

The head of the Novgorod administration thinks that there is simply a little scuffle going on between Yeltsin and Khasbulatov. If this was indeed just a struggle of personal pride, everything would be much simpler, and we could merely spat at their discord. Each of these leaders, however, presently embodies a specific path of development for the country: either to a normal market economy (and that, whether you like it or not, is capitalization), or down another socialist dead end (in accordance with Khasbulatov). Why a dead end? Well,

because the Scandinavian method, which the soviet speaker is fighting for, although it is quite fair (equalizing!), is based on the capitalist system, which Khasbulatov and company do not want to allow us.

It would be naive to suppose that such a fundamental question -capitalism or socialism? - will resolve itself. No, the struggle will worsen along with the expansion of the entrepreneurial class. The confrontation is not a result of the whims of leaders and deputies, but is a natural stage of social, economic, and political development.

It is another matter that the worsening political situation should not lead to knives being drawn. On this I do agree, stabilization is necessary, the dangerously rough waters must be calmed. But how? Through agreements arrived at by leaders? In the end Yeltsin will perhaps yield even more to Khasbulatov and company (and as a result he will lose his authority once and for all). The people, however, want to yield no more. Only a referendum as an expression of the will of the people will calm the political situation. (we will not go into how the questions should be written, and so on). A summit agreement would only create the appearance of peace.

The young energetic official "in charge" of the Novgorod oblast is content with the reforms currently being pursued, and he asks that he (they) not be disturbed by the center. It is quite clear, however, that reform in the provinces is being conducted in a largely bureaucratic fashion by the same party-director-kolkhoz nomenclature, which has easily adapted itself to the new slogans and jargon. They are doing well. Many a tidbit they have snatched up for themselves, having forgotten about Marxism and Leninism. But let the average citizen try to privatize, become an owner, buy and sell at a profit. How they start to abhor him, to consume him whole. For this reason current reform is moving along with great difficulty in the transition toward private ownership, which is to be the major change. The rest is mimicry, empty rhetoric about pseudo-reform, a mere changing of seats.

If the people do not realize that they themselves must determine the fate of the country now, and express their decisive word, they will pay dearly for their inaction. A rejection of politicization will benefit those who want to conduct the reform of the nomenclature-bureaucrats.

Admin Head on Reforms in Oblast

934F0162B Moscow KURANTY in Russian 11 Feb 93 p 7

[Talk conducted by Ye. Kopyshita: "Head of Novgorod Oblast Administration Mikhail Prusak: Constitutional Agreement - A Chance for Compromise"]

[Text] Mikhail Mikhaylovich Prusak, 32, graduated from the Komsomol Graduate School. He worked as a sovkhos director. He was also elected to USSR people's deputy, and is a member of an inter-regional deputy group.

- Mikhail Mikhaylovich, let us make it clear right now. Are you for or against conducting a referendum?

- Any man in his right mind that wishes to preserve the integrity of Russia, in my view, would be against the referendum in the current political situation.

- A constitutional crisis, however, is now at hand in the country; a crisis that we must somehow find a way out of.

- I think that the crisis is in large part only a manifestation of the conflict between the executive and legislative powers, which, having become absorbed in a political battle, do not want to seek compromise. In such an economic situation, to transform the entire country into an arena for ascertaining attitudes and trying to once again divide people into the "whites" and the "reds" is an indication of political weakness. In the mind of the average man the referendum presently comes down to one thing, ascertaining whether you are for Yeltsin or Khasbulatov.

There is still a chance agreement can be reached while preserving economic reforms and democratic achievements. And that chance is to sign a constitutional agreement. It is namely this proposal that will be discussed at a joint meeting between soviet representatives, administration heads, and representatives of the Russian republic.

- What is the essence of the constitutional agreement?

- A situation arose in which there was a loss of authority after the Law on the Oblast and Kray Soviet and Administration was adopted. Until then specific economic problems had been resolved, albeit poorly or only slightly, by the executive power. The presidential administrative hierarchy had worked. The latter also conducted reforms. In the constitutional agreement a return to such an administrative hierarchy must be declared. Thus, placing moratoriums on individual articles of the Law on Kray and Oblast Soviets and the Law on Local Self-Government will be appropriate. A representative power only approves the budget, regulates how it is divided up, and does not interfere in operational economic activity.

At the same time the president and the Supreme Soviet will be bound in the constitutional agreement to refrain from violating the acting Constitution with their edicts and decrees. One cannot conduct effective economic reform in the existing chaos.

After preparing a draft constitutional agreement, the subjects of the Federation will request that the president, the chairman of the Supreme Soviet, and the chairman of the Constitutional Court examine the draft and submit it at a special congress. The active collection of deputies' signatures to convene a congress is already underway.

I think that the deputies will accept the agreement. If they say "no," they will, in so doing, demonstrate that they do not desire to give up confrontation. In that case

the president could, in what would already be an entirely different political situation, turn to the people with a request to hold a referendum containing one question: "To whom do you entrust the adoption of a new constitution, the Constituent Assembly, or the Congress of Peoples Deputies?"

In such a way the integrity of Russia will have been preserved and each individual's position ascertained.

- In your view what will the political consequences be if the draft constitutional agreement is not approved?

In a situation of fierce opposition within the higher bodies of power combined with legislative confusion, the subjects of the Federation will inevitably consolidate in opposition to the center in order to protect their interests. Some are already looking hard at draft proposals to create new republics within the territory of Russia: North-Eastern, Far Eastern, Ural, and others. A constitutional agreement will provide a historic chance to reach a compromise, while relying upon the common sense of our intelligentsia, and the creative ingenuity inherent in the Russian character. If there is no agreement, the situation will inevitably become aggravated and a third force, seizing power, will once again unify the territories, but will do so using dictatorial methods.

- Do not outdated constitutional norms hinder you from carrying out economic reform in the oblast?

- We are hindered only by the center's incompetent actions. According to the Federation Treaty the center is obligated to delegate a number of powers to the subjects of the Federation. However, attempts sadly witnessed in the recent past to regulate everything from the top have not ceased. It is nonsense to use the very same forms of kolkhoz and sovkhoz reorganization in the Novgorod oblast as for example, in Krasnodar kray. People will decide for themselves what is more profitable for them. So-called state support for farmers amounted to many people receiving 70 thousand in credit in 1990 at a reduced interest rate. They then purchased technology at a low price, but, without producing any goods, they are now selling it. And it now costs not 70 thousand, but six million. Those surrounding them look upon these farmers with hatred. Is this really reform, when social conflict is increasing within the village?! Farming should be introduced gradually, while getting farms going and giving credits on a competitive basis to those producing goods. If we adopt a decision about private land ownership, (and I am for this), then set up a procedure such that if you do not work a year on the land, then you pay a huge fine. And resolve the question concerning the usage of the land not in Moscow, but here locally. If they are getting 5.5 thousand liters of milk per cow a year on several sovkhozes in the Novgorod region, while on a private subsidiary farm they are only getting 4.5, why break up such sovkhozes now?

With respect to economic reform in the Novgorod oblast, we are carrying out the state privatization program at a good pace. Young American politicians were here recently. Having familiarized themselves with the economic and political processes in the oblast, they urged Western businessmen to put their capital in the Novgorod region. A joint program involving the organization of "Biznes-park [Business-Park]" is being developed with the International Bank of Reconstruction and Development.

At the last session of the oblast soviet, deputies adopted an economic development concept virtually without reservation that had been proposed by the administration. And they adopted it because they themselves had taken part in its design.

- Then one may still come to an agreement with the deputies?

- Of course. I do not understand the president at all. Why does he not want to rely on the deputies? I was Boris Nikolayevich's campaign manager during the pre-election campaign, and it was of my own conscious choice. It was a peaceful way of resolving problems.

Today, however, while our leaders wage their political battles, they are starting to divide the deputies into those that are for Yeltsin and those for Khasbulatov. Who conducts politics that way? Why pit one person against another? One must work with the current makeup of the congress as it is, while not making them into "enemies of the people." The president has some persistent idea regarding a conspiracy by former communists. From this comes the obvious politicization of economic decisions. Yet, we in the oblast are trying our hardest to keep good specialists and professionals. Today I see edicts being prepared either without much thought or expressly by the president that are entirely unreasonable, which no one knows how to carry out in the provinces. It is namely in the oblasts, regions, and villages, and not in Moscow, that the president is losing the most support.

Not much is left that has not yet reached a completely unmanageable state. This must at last be understood.

'Civic Union' Forms Samara Regional Branch

934E0188A Moscow *RABOCHAYA TRIBUNA*
in Russian 25 Feb 93 p 1

[Article by Vladimir Babenkov, *RABOCHAYA TRIBUNA* correspondent: "They Waited on the Volga for the Civic Union"]

[Text] Samara—A regional branch of the Civic Union has been formed in Samara. It was established by local branches of the Democratic Party of Russia, the People's Party of Free Russia, organizations of the Russian Union of Youth and the Youth Union of the Democratic Party of Russia, and the Civic Union Association of People's Deputies of Samara Oblast.

The new political entity set as its goal the elaboration of joint positions in the sphere of political and economic reorganization, active counteraction to political forces whose actions are leading to the breakup of the Russian Federation and the revival of authoritarianism and totalitarianism, and assistance in any form to the achievement of interethnic harmony and civic peace.

The attempts of several democrats to isolate the new movement were rejected at an organizational conference. For example, there was a refusal to enter into the by-laws a provision on the impossibility in the future of accepting parties of a communist leaning into the union. "Is it possible to declare civic peace, but then immediately support confrontation," several sensible delegates declared.

Civic Union regional branches have already initiated the first political actions. An appeal for the unity of Russia and a resolution on youth policy were adopted.

Novosibirsk Faces Worsening Fuel Situation

934E0188B Moscow *RABOCHAYA TRIBUNA*
in Russian 26 Feb 93 p 2

[Article by Vyacheslav Nechipurenko, *RABOCHAYA TRIBUNA* correspondent: "If the Kuzbass Heats Up into a Strike, Neighbors Will Freeze"]

[Text] Novosibirsk—It can be said anywhere in the area of Tikhoretsk, while feeling the weakening throb of a steam radiator: "This is normal, since spring is approaching." Siberians not only cannot say this—even thinking about such a thing is terrible.

A very difficult situation has developed in Novosibirsk's heat and electric power administration. The Novosibirskenergo Association is in debt to suppliers for about 8 billion rubles [R]. The city and the oblast owe approximately as much, and perhaps even more, to the power industry workers. But no one is settling mutual accounts for reasons of insolvency. The unloading of coal at some city TETs [heat and electric power plants] has been halted completely, and reserves remaining for a "rainy day" are at the very minimum. Due to nonpayment of debts, deliveries for Novosibirsk have been stopped in Omsk.

This is the way V. Tomilov, general director of Novosibirskenergo, assesses the situation:

"If the situation does not improve in the next several days, it will be necessary to resort to extreme measures, inasmuch as we will not be in a condition to provide heat for everyone. But dwellings, hospitals, and schools, of course, will not suffer. But industrial enterprises will have to tighten their belts. I had occasion to talk on this subject in Tomsk with Prime Minister Chernomyrdin. Viktor Stepanovich understands the situation very well, but he does not promise anything, and he gives no guarantees.

As for the threat of a new strike on the part of neighboring Kuzbass, it will of course disrupt an already catastrophic heat and electric power situation. But I think that it will hit the Kuzbass itself even more.

For the time being, the situation in the city heat and electric power administration can be observed in the hot water pipe in one's apartment. Each day the stream of water from it is becoming less forceful, and its temperature does not climb above room temperature.

Astrakhan Oblast Stabilizing Production

934E0188C Moscow IZVESTIYA in Russian 25 Feb 93 p 5

[Article by Viktor Kornev, IZVESTIYA: "Stagnation at Astrakhan: Production and Housing Construction Is Increasing"]

[Text] In familiarizing yourself with the production figures of branches of the economy of Astrakhan Oblast, your glance automatically stops at lines that are now rare: The production of light industry commodities increased—108.7 percent in comparison with the 1991 level (all data are cited in comparative prices). More outerwear knitted articles were produced than in 1991. The production of fiber wood increased up to 111 percent. The Astrakhan index even has a plus in housing construction.

Of course, given the present general state of the economy, it would be difficult to expect all indices to be favorable in an "individually taken oblast." Nevertheless, the inhabitants of Astrakhan were able to avoid a sharp drop in industrial production: Its reduction only amounted to about seven percent. Moreover, almost half of the unattained production falls to a portion of the gas condensation complex, because of chronic ecological problems.

Is this a firm trend toward an improvement of results? Let us turn to statistics once more. In October, by comparison with September, the production of diesel fuel, for example, amounted to 137 percent, leather shoes—122 percent, and synthetic detergents—103 percent. The indices for each of the succeeding months also exceeds the previous months. Although the indices are more modest, but an increase—from 101 to 104 percent—was noted in the last months of last year in the production of meat, milk, and confections. And the increase in an Astrakhan firm's fish production, including canned goods, reached 155 percent.

"It is too early to talk about serious changes," Anatoliy Guzhvin, head of administration of Astrakhan Oblast, said, evaluating these data in a restrained way, "as before, we are having difficulty with foodstuffs and commodities. But we are really and gradually, step by step, creating a 'reserve of durability' for the future. Now the fundamentals of a market economy have been laid in practically all branches, and this means that a transition to the next stage is possible—restoration of the volume of production and stabilization of the situation in general."

A majority of enterprises in Astrakhan Oblast have not only acquired the status of joint-stock companies themselves, but are also participating in the implementation of important projects jointly with new entrepreneurial structures. In the sphere of services, for example, one-fourth of the private enterprises, and their shares, continue to grow rather quickly. In the past year the number of farmers has increased by a factor of six, and each peasant farm has 136 hectares of land—as far as I know, this amount is a record for Russia.

The already difficult transition to a market economy today is frequently complicated by political struggle, including at the local level, and by attempts to hinder reforms. But the situation in Astrakhan Oblast is completely stable. Maybe there was complete peace and quiet here and seething passions were avoided?

"No, of course not," answered Anatoliy Guzhvin. "The political atmosphere remained tense here for a long time."

I will skip the details of the opposition between the supporters and opponents of reorganization. Guzhvin, who holds the post of chairman of the oblast executive committee, was appointed head of administration. But the oblast did not follow the path of formal reconfirmation of the old personnel roster: The entire oblast executive committee handed in their resignations.

At first, it is true, there were doubts: Will it all not just end up with a change of signboards? But consideration of the candidates for work in the new organ of authority indicated that this would not happen. The oblast administration was formed with one-third of the people being new. Moreover, those invited to work in the administration, including in key posts, were from parties and movements of a democratic orientation.

I met with people whom Guzhvin had invited to his team. "The grass snake and the hedgehog were brought together in the team"—this kind of pun had wide dissemination after it was formed. It referred to internal opposition.

"We did not come to engage in political intrigues," objected Feliks Golikov, a deputy head of administration. "On the contrary, we are trying to find mutual understanding and to work in close contact with the previous personnel."

Aleksandr Zhilkin, first deputy head of administration, is one of the new people on Guzhvin's team. He was among the leaders of the Democratic Reform Movement. Now, the 33-year-old first deputy head of the oblast administration works on issues of the new economic policy. Issues regarding efficient management of the economy fall within the jurisdiction of Gennadiy Sagunov, another first deputy, who was in a managerial post in the former oblast executive committee. In the opinion of Anatoliy Guzhvin, this personnel arrangement makes it possible to effectively resolve difficult problems in the transition to market relations.

"In the early days," Zhilkin explained, "our privatization projects and the establishment of joint-stock companies were viewed unfavorably in production associations and enterprises, to put it mildly. Now, the managers themselves are interested in the success of reforms, and do not want to turn back to the old methods of economic management."

I received confirmation of this from many managers. I will cite one example that shows especially graphically what changes have occurred and are occurring, and what plans collectives are outlining for the short term.

Among the founders of a joint-stock company of the open type, the Yug Investment-Financial Company, besides entrepreneurial structures there are the Lotos shipbuilding plant, the Kaspriykhodflot, the Volgotanker steamship line, a fish canning combine, and a number of other enterprises. Why? Recently production remained almost at a standstill due to a shortage of resources. One of the areas of activity of the Yug company was financing enterprises for technical reequipping, introduction of modern methods, and management of production for the development of new technologies and types of equipment.

Regarding the projects that Yug is already implementing or preparing, it can be judged how much the positions of the market economy have been consolidated in the oblast. Vladimir Melakin, Yug's general director, told me about the company's participation in the development of shipbuilding, construction of dry cargo ships in short supply of the "river-sea" type, financial support of large-scale programs of industrial breeding of fish of the sturgeon species, and reconstruction of old and creation of new capacities for expanding the assortment and increasing the volume of output of mass consumption goods.

It is noteworthy that Anatoliy Guzhvin, head of administration of Astrakhan Oblast, is among the three cochairmen of the council of industrialists and entrepreneurs. Yuriy Seleznev, one of the other cochairmen, manages the leased enterprise Astroteks. The volume of production of commodities in Astroteks has also increased, amounting to 105 percent by comparison with 1991...

Recently prices for products in Astrakhan have remained lower than in other neighboring oblasts.

To be sure, Anatoliy Guzhvin, head of the oblast administration, was reserved in evaluating the results achieved. However, the stabilization of the volume of production captured by statistics, and stable indicators in the plus column, in a number of sectors, month after month, already amount to something at this stage.

Gornyy Altay's Birthrate Drops

934F0172C Moscow LESNAYA GAZETA in Russian
11 Feb 93 p 1

[Article from ITAR-TASS: No title]

[Text] The republic's newspaper ZVEZDA ALTAYA has reported that for the first time in the entire history of

Gornyy Altay, a decrease in population occurred in 1992, that is, the death rate was higher than the birth rate. According to the newspaper's statistics, only 583 infants were born in Gorno-Altaysk, while the total number of deaths was 611.

Experts believe that the worsening of the demographic situation in the Republic of Altay is linked mainly to the continuing decrease in the birthrate due to conscious efforts to limit births. This can be explained first and foremost by socioeconomic instability and the sharp increase in the cost of living.

Moscow Authorities Accused of Flouting Democracy, Pankov Responds

934F0191A Moscow KURANTY in Russian 12 Feb 93 p 4

[Appeal to the residents of the City of Moscow and the Supreme Soviet of the Russian Federation by people's deputies of the Moscow City Soviet who are members of the interfactional association "Legality and Democracy," and a reply by A.S. Pankov, KURANTY editor in chief: "But Who Needs Chaos?"]

[Text] To A.S. Pankov, Editor in Chief of KURANTY, Esteemed Anatoliy Semenovich!

In accordance with Article 26 of the law of the Russian Federation "On the Status of a People's Deputy of the Local Soviet of People's Deputies of the Russian Federation," I request that you publish the attached appeal, signed by 19 people's deputies of the Mossovet [Moscow Soviet of People's Deputies] of 25 January 1993.

[Signed] Deputy Chairman of the Mossovet Yu.P. Sedykh-Bondarenko

Appeal to the Residents of the City of Moscow and to the Supreme Soviet of the Russian Federation.
25 January 1993
City of Moscow.

The crisis of authority in the capital of Russia has entered a critical stage.

The impoverishment of a majority of Muscovites and their growing uncertainty about tomorrow, and the elimination of elementary social guarantees for the disabled population of the city are in sharp contrast to "the beautiful life" of the mixed pack of swindlers who pose as the cream of Moscow's private business.

In the city's trade and industry, and in its "market economy," there is a preponderance of enterprises controlled by the "mayor's office" and by those interested in creating and supporting a commodity shortage and monopolistically high prices, which have become the source of enrichment for corrupt officialdom and criminal business. Desecrated Moscow, at one time beautiful and pure, has been transformed into a stinking rubbish heap.

An orgy of criminal terror has become a daily reality. Ordered murders and internecine showdowns of competing "firms" are accompanied by fire from automatic weapons and grenade explosions that bring blood and death to peaceful citizens.

All of this is only a part of the anomalous occurrences that we, deputies of the Moscow Soviet, are responsible to the Muscovites who elected us to overcome.

Deliberate and flagrant violations of the Constitution and the laws of Russia by the president, the presidium, and the chairman of the Supreme Soviet, the so-called administration (the "mayor's office" and the "government") of the city, the mafia atmosphere in all authoritative structures, the venality of officials who try by any means to avoid the control of representative authority, the inaction of the Procuracy and the Constitutional Court, the unprecedented scale and unbridled slander of the Moscow Soviet in the mass media, which has actually grown into the persecution of the deputy corps, is the work of hands in the city that govern the "indestructible bloc" of CPSU nomenklatura disguised as democrats and Democratic Russia who intend to build an elite preserve of capitalism, a kind of paradise for official use, on the bones of a majority of the citizens.

To prolong its stay in power and to delay the inevitable retribution that awaits it, the nomenklatura elite, like air, needs a situation of chaos, disorganization, continuous shady enterprises, and open robberies and thefts, covered by hypocritical twaddle about "the building of a rule-of-law state" and "market reforms."

Its true political ideals were and remain a state in its pocket and a tamed law. While remaining in power, it will destroy any state and reject any constitution and laws that do not respond to its requests.

The conviction is evolving that the Supreme Soviet of the Russian Federation is indifferent to what is happening in the capital. Judging by everything, that arbitrariness and illegality that were started by the anticonstitutional decree of its presidium, "On the Status and Structure of the Organs of Administration of the City of Moscow—the Capital of the RSFSR," suit it. It did not react to the illegal edict of the president concerning the expansion of the powers of the organs of administration of the city of Moscow; it closed its eyes to the joint decree of the president and his chairman "Concerning the Administrative-Territorial Division of the City of Moscow," which rudely invaded the jurisdiction of the Moscow Soviet and gave rise to that unlimited administrative tyranny that now reigns in the city.

But if failure to observe the Constitution and the laws is justified for Moscow, can Tatarstan and Chechnya be condemned for their violation?... Is it not with Moscow that the process of the dissolution of the Russian state started, over which even somewhat responsibly thinking representatives of authority, regardless of their political

orientation, are racking their brains to stop? After all, if this does not occur, then any plans of state restructuring are senseless.

Inasmuch as the Moscow Soviet is deprived today of an opportunity in the evolving situation to implement the functions of a representative organ of state authority that are entrusted to it, to ensure the normal functioning of the capital of Russia, the effective protection of the rights and safety of citizens, legality and law and order, to protect the interests of the population of the city, and, **not desiring to remain a frivolous decoration, a juridical screen that conceals the full actual diktat over the city by nomenklatura-mafia structures with the appearance of a division of powers**, we, the deputies of the Moscow Soviet of People's Deputies, appeal to the members of the Supreme Soviet of the Russian Federation with a request to examine the question concerning the early conduct of elections of people's deputies of the Moscow Soviet immediately following the elections for the head of the Moscow city administration.

In taking this step, we are confident of the full support and understanding of Muscovites.

Let the people themselves evaluate and judge.

[Signed] People's Deputies of the Moscow Soviet of People's Deputies—members of the interfactional association "Legality and Democracy."

Bogolyubov, A.A., Bykov, G.N., Galaktionov, V.B., Golubov, B.N., Gusev, A.G., Dmitriyevskiy, I.M., Dyakonov, L.I., Ivanishin, M.M., Ikishcheli, V.A., Koshevarov, A.A., Kuzin, V.A., Popov, V.V., Protasova, V.S., Sedykh-Bondarenko, Yu.P., Slavina, R.A., Sumarukova, N.M., Khvatikov, V.N., Tsopov, A.A., Yakovleva, N.D.

KURANTY Editor in Chief Anatoliy Pankov's Reply to the Appeal of the Moscow Soviet of People's Deputies Interfactional Association 'Legality and Democracy.'

It was possible to do without comments on the "appeal" of a small group of deputies. As a rule, when publishing calls and appeals of political forces of every stripe, we let the reader himself draw his own conclusions. But some of them are puzzling: Why then publish various kinds of rubbish in a progressive newspaper (see the letter in this issue)? Sometimes—so that the reader would know various views. But at times, we are simply obliged, regardless of our position: The founder or his individual representatives demand it.

Moreover, there is this legal paradox here: According to the law on the press, we do not have to publish similar opuses (we are obliged only to report on official decisions), but we are obliged to do it according to the law on the status of a deputy.

So, we are publishing. And rather eagerly. Because I have not hitherto had occasion to read such a blunt and

aggressively rude "appeal" regarding legal executive authority signed by a group of deputies of the Moscow Soviet of People's Deputies (individual deputies express themselves even more scathingly). And let Muscovites know their "heroes" by name.

This is my opinion as the editor in chief of KURANTY.

Thus, we will go over some of the theses of the "appeal."

About "the crisis of authority." Yes, there is one, and it is intensifying. But is it not because a certain part of the deputies have declared a "holy war" against executive authority from the very beginning, contrary to common sense? The leader among the coauthors of the "appeal" in question is Deputy Chairman of the Moscow Soviet of People's Deputies Yu. Sedykh-Bondarenko. What did he do specifically to stabilize the situation in Moscow and to strengthen municipal authority? Nothing comes to mind. And I do not recall that any kind of businesslike proposals have come to KURANTY, for example, on the fight against crime. But, after all, Sedykh-Bondarenko bears the responsibility for this as a member of the presidium of the Moscow Soviet. On the other hand, a stream of information with "cover letters" has come to the editorial office, including under his signature, regarding the objectionable executive authority: Recall the epopee with the appointment of the chief of the GUVd [Main Administration of Internal Affairs], and the fight against structural changes and for the election of a new mayor.

In my opinion, all of this fuss promotes the confrontation of authorities, it diverts the executive authoritative organs from daily affairs, and it does not give them confidence in themselves.

Given all of my suspicion of the nomenklatura (especially of the CPSU ilk), I cannot agree at all with the assertion of Sedykh-Bondarenko and company that the nomenklatura needs a situation of chaos and shady enterprises. Real economic managers require stability. On the other hand, such a situation is necessary to the deputies who do not work on real matters, but on political intrigues, in a fight for power, and for deputy seats.

At the last session, Sedykh-Bondarenko proposed to eliminate the presidium from the Moscow soviet. Why? No matter what, at the very least, this organ considers businesslike questions and effectively makes specific decisions. Whom did this hurt? I will risk making the assumption: Some of the deputies do not like the current composition of the presidium—there are "too many" there of those who are ready to cooperate with the executive authority (in the interests of the city and of Muscovites!) and who are for real reforms.

But now, a new proposal is expressed in the "appeal" that is also directed at the destabilization of the political situation—ahead of scheduled reelections to the Moscow Soviet. Yes, the authority of our soviet is extremely low, and its resulting quality is close to zero. And I am not talking about this with malice, but with pain: The

question arises as to why I struggled against two dozen contenders for a deputy's seat, if it almost gives no satisfaction and, it would seem, there is little with which to help Muscovites in their troubles?

In my view, it is not possible to hold reelections at this time, for two basic reasons.

New elections can be effective only after a reform of soviet authority. The main thing is that there should not be more than 150-200 permanently acting deputies in the city soviet. And it is necessary to elect them for a shorter term—three to four years. But we will now receive a new "talking pool," and no more. Why make a pointless exchange?

And the second reason—special elections for deputies (as, incidentally, for mayor as well) will divert forces and resources from daily problems. This is too expensive a payment to satisfy the ambitions of certain political groups, to which I also consign a majority of the deputies who signed this "appeal." I think that the lesser evil is to put up with the present composition of the Moscow Soviet. Especially since there are quite a few efficient people and workers there who do not rush to microphones and to the pages of newspapers, but who quietly do their daily heavy work and who in reality, and not just in words, try to protect Muscovites from illegality and from the arbitrariness of officials, and help the ordinary people to survive under the difficult conditions of fundamental reforms.

I also hope that the people will figure out who is the true defender of their interests and who, hiding behind this slogan, is pursuing his own political aims.

Moscow Poll Reveals Lacking Sense of Security

934F0188A Moscow KURANTY in Russian 17 Feb 93 p 2

[Article by Oleg Savelyev: "We Are Afraid"]

[Text] On 30 January 1993 the Moscow branch of the All-Russian Center for Public Opinion Research (VTsIOM-Komkon) surveyed around 2,100 residents of the capital. Polls of this kind in the biggest Russian cities have been coordinated by the Russian Center for the Study and Forecasting of Social Processes (St. Petersburg, Director L. Keselman).

The responses to one of the questions: "Do you feel safe from possible physical assaults or other criminal actions in our city?" are presented in percentages below along with the responses to the same question in a comparable poll conducted by the same agencies in November 1992:

Responses	Nov 92	Jan 93
No	88	86
Yes	7	8
I am not sure; I do not know	5	6

The following are the responses to another question: "Have you or anyone you know been the victim of physical assaults or other criminal actions?":

Responses	Percentages
No	38
I have not, but someone I know has	18
I have not, but several people I know have	21
I have been a victim once	14
I have been a victim several times	9

It is indicative that the fear of becoming a victim of crime in some segments of the population is not always directly related to personal experience with criminal assaults. Respondents from the older age groups (over 55), for example, are most likely to fear crime, although these same elderly people, by their own admission, have been less likely to experience the effects of criminal activity directly.

Respondents from the younger groups displayed the opposite tendency: less fear, but more frequent direct encounters with criminal elements.

Counterfeit Dollar Production in Moscow Noted

934F0188B Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 Feb 93 p 1

[Text] Sergiyev Posad appears to have become a new center for the sale of counterfeit money in the Moscow region. People in the Moscow City and Oblast Administration of the Russian Federation Ministry of Security told the MOSKOVSKIY KOMSOMOLETS correspondent that Russian citizens tried to sell counterfeit 100-dollar bills three times in just the last month and a half at the Sergiyev Posad foreign currency exchange center. Experts said that the bills were of excellent quality and looked almost genuine. A few days ago one of our fellow citizens tried to exchange 20-dollar bills "generated" with the aid of a color Xerox machine. When the citizen was asked to hand the currency over for inspection, he disappeared.

Moscow Transportation Costs Continue To Rise

934F0188C Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 Feb 93 p 1

[Article by Vladimir Lesovets: "Stock Up on Bicycles: Transportation in Moscow Will Be Costing a Pretty Penny"]

[Text] Municipal passenger transport fares rose dramatically in Moscow on Tuesday (16 February). The cost of one ride and one baggage ticket on a bus, trolleybus, or streetcar, regardless of the distance, is 4 rubles, and the fare is even higher on the subway—6 rubles.

A monthly pass for municipal buses, trolleybuses, and streetcars now costs 160 rubles (72 for students), a suburban bus pass costs 540 rubles (108 for students), and a subway pass costs 240 rubles (108 for students). A monthly pass good on all four types of transport is 600 rubles (180 for students). The cost of all passes is twice as high for enterprises, organizations, and establishments as for citizens.

Passenger fares on the regular buses of Moscow's suburban routes will now be 1 ruble for each passenger-kilometer, and the fare on buses with reclining upholstered seats will be 1.5 rubles for each passenger-kilometer. The cost of a luggage ticket on suburban buses, including those going to the Moscow airport, will be 6 rubles for distances up to 25 kilometers, 12 rubles for 26-50 kilometers, 18 rubles for 51-75 kilometers, and 24 rubles for 76-100 kilometers.

The only good thing is that all special privileges in municipal passenger transport will be retained by pensioners and other citizens who were eligible for the earlier privileges by order of Premier Yuriy Luzhkov of the Moscow Government.

The last change is that it will not be worthwhile to sneak onto public transport now: People who use public transport without paying their fare will be fined 200 rubles.

Moscow Mayor's Pricing Experiment in Local Stores Detailed

934F0188D Moscow KURANTY in Russian 18 Feb 93 p 5

[Article by Nikolay Oleynikov: "Set Free—With a Net Profit"]

[Text] An experiment is being conducted in Moscow by order of the mayor: 36 stores have been allowed to set their own markups on foodstuffs purchased directly from other regions.

At first the merchants themselves knew little about the experiment. After all, today there are no rayon trade administrations to convey orders "from above." Even the designated experimental merchants did not understand the situation immediately. Some did realize the benefits this new development could provide, but they did not take action in time: They lacked stable contacts, a choice of profitable commercial bids, and available funds.

Experts from the Consumer Market and Services Department and the Price Policy Administration made a progress report 10 days later. They learned that the most efficient merchants had already managed to bring butter from Vologda, chickens from Vladimir, cheese from Smolensk, various types of fish from Murmansk, vodka from Yaroslavl, and sunflower oil from Krasnodar into Moscow.... In addition, they had acquired beef, granulated sugar, noodles, and other products.

Given the empty shelves in many stores, even these minor achievements could be taken as a good sign. The purchase volumes are still negligible, but as store directors said, they had almost never felt in charge of things until they were able to set a high markup on some goods—and freely!—and then use these additional profits to lower the prices of other goods. Before they had the chance to set prices independently, price reductions of this kind would have resulted in direct losses. Now they have become indirect: All of the modestly priced products were quickly purchased and the money was put back into circulation....

There have been different responses to this new opportunity. The directors of downtown delicatessens have fearlessly charged a 100-percent markup: They know that people will buy their products anyway. This has not been a common response, however. Citydwellers do most of their shopping in supermarkets in "bedroom communities" with a stable clientele. The director of one of these cited a simple example. The Moscow Refrigerated Storage Base is taking advantage of its monopoly status by offering to supply stores with beef at 400 rubles a kilogram. With its markup of 16 percent and a store markup of 15 percent, the price of a single kilogram would be 500 rubles. The store could buy the same beef from a provincial city for 270 rubles, however, and then sell it to the customer at only 339 rubles even after adding a modest 25-percent markup. This is absolutely phenomenal in comparison with the "average" prices in other stores.

Of course, prices are changing every day because of inflation, and commerce itself is an extremely demanding line of work, requiring expenditures on trips and negotiations. Many merchants, however, want to be included in the experiment now, but the department is still studying the situation, trying to discern the drawbacks of this pricing policy. They do exist. Store managers are complaining about a shortage of working capital and cash: These are almost essential for the circulation of money and goods.... Is it possible that this plan will work?

St Petersburg Privatization Viewed as Successful

934F0144A St. Petersburg SMENA in Russian 6 Feb 93 p 2

[Article by Dmitriy Travin: "Privatization in St. Petersburg: Real Success, or an Illusion?"]

[Text] Privatization is one of the few areas where St. Petersburg has achieved success. Its pace is faster than the national average.

Debate as to whether it is possible to destroy the purity of socialism by denationalizing the economy has essentially receded into the past. The hubbub of privatization has so engulfed people today that one can confidently consign to the archives the works that sought to prove the incompatibility of the Russian mentality and private

enterprise. Adult men and women are actively bargaining over voucher prices on every street corner. Other citizens, united in labor collectives, are bargaining with the state for special benefits in privatizing their enterprises no less intensively.

But debate of another, more concrete character than polemics over the admissibility of private property has appeared. Objections to the actions of the City Property Committee (CPC) can be divided into two groups. The first is objections relating to its handling of everyday matters. The second group is scholarly disagreements.

Can Upset Citizens Blame the CPC?

The average St. Petersburg is usually upset when stores to which he is accustomed are closed down during privatization. However, misgivings on this score have evolved somewhat of late. A year ago, one could still hear complaints that a store closed for renovation by the private operator who bought it was never going to reopen. The arguments of privatization proponents who said that the private owner was no fool and wasn't going to buy a store and never use it were not accepted by the average citizen duped by socialist reality.

Today, at a time when virtually the entire city center has been filled with new commercial structures, only a blind person could make such a claim. But now quite justified complaints of another kind have appeared. Accustomed food stores are being closed and replaced by "shops" selling clothing and goods.

No one is trying to deliberately limit the sale of food in the course of privatization. But there are fully objective reasons that account for these changes. They do not have to do with any mistakes by the people privatizing them.

First, the state's economic policy makes food sales the most risky line of business to this day. It became possible to sell manufactured goods on a commercial basis all but at the dawn of perestroika. But as for milk or meat, liberalization in this area began only a year ago. And it has had to grapple with enormous difficulties. Restrictions on trade markups were maintained for a long time. Plans for new food price freezes appeared constantly. And look at the awesome dumping blow our entrepreneurs had to endure in connection with humanitarian aid shipments!

In short, virtually everything possible was done to discourage entrepreneurs from selling food.

Second, food sales, which in our country continue to develop on a planned basis, are often hardly concentrated where they should be. For example, in the central part of the city there are sometimes several stores for every small neighborhood, and so competition forces one of them to go into another line of business. Meanwhile, in the sleepy suburbs, no stores are planned for the best locations (on a street leading from the subway station).

In these conditions, it turns out to be much better to park a truck loaded with dairy products outside the subway station. On one hand, you can sell at a busy location, and on the other hand, the seller isn't risking his capital (if food sales are banned, he moves to another business). We can like or dislike this kind of truck vending, but we cannot deny the fact that business in our country has nonetheless developed as much as objective circumstances allow.

When the people get used to the thought that free prices have been allowed for food products in our country once and for all, when the politicians stop intimidating businessmen with bans, and when housing privatization makes it possible to vacate apartments located at very busy sites and convert them into stores, then private food sales in our city will reach the same intensity that trade in imported manufactured goods has reached.

'Song of Privatization.' Music by A. Chubays, Words by the People.

Serious scholarly objectives can be summarized as follows: The current privatization model is excessively populist. Labor collectives want to get as large a block of shares in their enterprises as possible. From an economic standpoint, this is bad for two basic reasons.

First, labor collectives are poor. After obtaining shares in their enterprise, they don't have a kopek to invest in it. If a plant is failing, it will continue to do so, but under the new name of "joint-stock company."

If, on the other hand, a rich foreign investor is able to buy a major block of shares through privatization, he can rebuild it, fire lazy workers, and thus lead the firm to prosperity.

Second, if the bulk of shares is concentrated in the hands of a labor collective, it is inevitable that, as soon as people become convinced that their once celebrated firm can't make a profit, a mass "unloading" of the securities will begin. The shares' value will drop sharply, and a panic will ensue at the exchange. As a result, controlling blocks will be acquired by rich people all the same, albeit at lower prices. But this will take place in an exceedingly complex way, the enterprise will be devastated, and the collective will be impoverished.

It is hard to disagree with this. Any scholarly debate would probably end in defeat for the architects of the current privatization model. However, there is one "but." They wouldn't try to defend this model.

The fact is that the architect of the current model is not so much a given official of some property committee as the people themselves. It is powerful lobbying from various quarters that prompted privatization proponents to modify their views and led to the formation of the model that is currently guiding denationalization. Thank God that it has so far been possible to prevent passage of a draft law that would give priority in privatization to

labor collectives and that communist-leaning deputies have been vigorously supporting.

And so the alternative today is this: Either we carry out privatization, albeit not in the best way, or we get bogged down in endless discussions with labor collectives that are certain to end in victory for the latter, a reshuffling of the existing structures of the State Property Committee, and a sharp break on the entire privatization process. The first option is preferable.

Still, some mitigating of the conflicts is possible. For example, some people in the St. Petersburg CPC support the following option, a very sensible one: sell large blocks of shares (up to 20 percent) in enterprises being privatized at investment auctions. This means that not only will blocks of shares wind up in the hands of a single owner, but also that he will also be obliged to make sizable investments.

In order to find an ally in this complex undertaking, privatizers are making a special effort to interest enterprise managements, which would acquire a roughly equal block of shares (20 percent) to manage as a trust. The director can rest easy—no one is going to take away his power.

The proposed system might be able to settle the conflicts that have arisen and lay the foundation for a normal private-ownership mechanism. Provided that political feuding doesn't get in the way.

Joint Enterprises Complain About City Economic Policy

934F0145A St. Petersburg SMENA in Russian
29 Jan 93 p 2

[Interview with V. Kolovay, president of the St. Petersburg Association of Joint Enterprises and president of the Lenvest concern, and G. Volodchenko, general director of Lenvest, conducted by Ye. Dushkina: "For Now It Is Profitable in Russia To Sell, but Not To Produce: Leaders of Petersburg's Association of Joint Enterprises Reflect on This"; date and place of interview not given]

[Text] [Kolovay] Over these years in our region a good many joint enterprises have been established that, having studied other firms' experience, immediately began to engage in normal, honest business. The association, which began with just a few enterprises, now has 72 joint enterprises as members. Many, to be sure, have not formally joined it but are taking advantage of our experience, and a good deal of it has been accumulated. Therefore, I think, the association has accomplished its main task—to teach how to do business correctly—and is continuing to accomplish it.

Of course, these years have been very difficult for the country and for all joint enterprises. I believe that thanks

to such an association as the Association of Joint Enterprises, joint entrepreneurship in St. Petersburg not only has not died but is continuing to develop.

Another point. The association is promoting contracts between joint enterprises and the city's governmental structures. We have repeatedly provided assistance to various sorts of joint enterprises in solving problems that arise, and we have directly contacted the city's leadership and tried to solve those problems together.

[Volodchenko] Do you recall President Gorbachev's notorious "sabotage" edict, which authorized breaking into the offices of joint enterprises, sealing the tills, conducting various sorts of "checkups," and so forth? At that time, for example, we managed to persuade the city government that this would only frighten away foreign investors and lower the business activity of joint enterprises. Fortunately, this was taken correctly, and checkups in Petersburg were conducted in a civilized fashion and touched only five joint enterprises that had municipal property.

[Dushkina] Considerable time has passed since the edict to which you refer. And how would you assess the present policies of the mayor's office and the city authorities in attracting foreign capital to our city? What pluses and minuses do you see here?

[Kolovay] In order for our city to become the city that we would like to see, serious investments are needed. Have they appeared? There are difficulties, of course, but I think that the city's authorities are perfectly capable of solving the present problems. Overall state policy and, say, the constant changes in the ruble's exchange rate and in laws are another matter.

[Volodchenko] How can a favorable investment climate be created here, in Russia? It would seem that all of our laws are so attractive, but guarantees are provided in words only, and there is still no actual mechanism.

As for the Russian authorities' attitude toward entrepreneurs—I believe that there are still echoes of the past in the actions of the mayor's office and the city soviet. Unfortunately, the governmental structures sometimes try to manage the process of the development of entrepreneurship too directly. I am a member of the collegium of the mayor's office committee on economic reform and I recently received the concept of the development of entrepreneurship in St. Petersburg. In it you simply can read between the lines attempts to "organize" all this, for example, to "establish a small business association in every rayon." One cannot establish them. If business people find it interesting and they feel some sort of need for association, they themselves will do it.

[Kolovay] The attempts to direct will evidently wither away of their own accord in time, because the state or the structures that govern the city today cannot assume responsibility for enterprises' performance. They should only facilitate their work.

[Volodchenko] The city authorities could facilitate the establishment of a real infrastructure—a network of banks, of which there are currently not enough, business centers, consulting firms, and a data base where one could obtain any information about our enterprises. At present this, unfortunately, does not exist. Therefore, our association, the Lenvest concern, three mayor's office committees—on economic development, property management and foreign relations—and also the Temp Joint-Stock Company have acted as founders of the Regional Development Fund. The fund may provide an assessment of and promote a given project. This means, first and foremost, the establishment of a business center using the facilities of the former House of Political Enlightenment, a number of food projects, the construction of housing, and others. So, the fund's fundamental task is to solve the city's problems.

[Dushkina] Evidently, many joint enterprises could help solve some of the city's problems. However, most of them today are engaged in brokerage activities, while there are very few production enterprises such as Lenvest.

[Volodchenko] Today, unfortunately, it is unprofitable to engage in production because of the existing system of taxation. For many joint enterprises, organizing trade or brokerage remains the only way out. Even Lenvest is forced to engage in foreign trade activity; it has a special firm.

[Dushkina] Two years ago it was predicted that the number of joint enterprises would rise rapidly. That did not happen. What, in your view, is the reason for this?

[Kolovay] Well, how do you answer, if the government makes a decision to freeze joint enterprises' deposits in accounts in the Bank for Foreign Economic Activity? Does this contribute to business activity? Let's say that Lenvest withstood this blow and continued to build up its capacity. But if it is a relatively small joint enterprises that has its last foreign exchange taken away and is now told that in 1994 it will receive 20 percent, and sometime later another 20 percent, and at some time will receive everything? That, of course, stopped many entrepreneurs.

Nonetheless, I can say that now very serious business is starting to come to us. Whereas these were previously small and medium-sized firms, at present there are a number of interesting proposals from large concerns that want to work in our market if there is normal legislation. But we should rid ourselves of the idea that someone will buy us all up. After all, if there are profits, they are divided among the founders, as if Russian Federation structures act as these founders, that benefits the city, first and foremost.

There is no point trying to hide the fact that government decrees provided important breaks for joint enterprises. It was advantageous for state enterprises to establish joint enterprises in order to avoid taxes.

Now that joint enterprises have lost those breaks, the growth rate of enterprises with foreign participation is

dropping. However, that is normal. It will make it possible to take a more careful approach to the choice of potential business partners. And the defining factor for the establishment of a joint venture will become not the Russian partner's possession of facilities (and that has sometimes been the case), but his market experience, technologies and know-how.

[Dushkina] In which branches of Russian industry, in your view, is the establishment of joint enterprises in the future promising?

[Volodchenko] If one is speaking of priorities, defining them belongs to the functions of the mayor's office and city soviet. It is not enough to say: joint enterprises need to be established in the area of the food industry or the services sector. It is necessary for work in those branches to be connected with certain breaks—in taxation, the distribution and investment of profits, the provision of credit, and customs duties. Let's say that we want to develop the food industry, which, as we know, is in a semideveloped state, in the city. In that case, we need to get the government to provide that all profits that go for the development of production not be taxed, and that foreign firms receive preferential treatment in importing component parts and equipment. If I want to obtain credit at a bank, then it should be not at 140 percent interest, but at 50 percent. In that case, unquestionably, firms will invest their money in the business.

[Kolovay] One more example. Lenvest's complex production requires the constant presence here of foreign specialists. And we have encountered such a factor as the taxation of their wages. After all, it is absurd when foreign colleagues working with us pay taxes today on earnings that are paid to them abroad. And when conversion to rubles begins, the result is a very large sum. And the outcome is that foreign specialists are forced to leave here. Well, what sort of normal entrepreneur, separated from home, will pay a tax of 40 percent!?

We have repeatedly approached the government and the Supreme Soviet about this problem, but the matter has not yet moved off dead center. Although neighboring Belarus has resolved this issue.

[Dushkina] And the final question: how do you see the association's immediate future?

[Kolovay] Let us dream that the association will bring together not only joint enterprises but also other commercial structures and banks. Let us think about establishing a kind of club for association members and other entrepreneurs. Let us plan to take active part in the drafting of Russian legislative acts aimed at the development of entrepreneurship.

'Mein Kampf' Publisher Prosecuted

934F0149A St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 11 Feb 93 p 1

[Article by Yuliya Shum: "Trial of 'Mein Kampf' Publisher Has Begun"]

[Text] Yesterday the trial in the case of the chairman of the Volkhv [Sorcerer] Cooperative, Viktor Bezverkhiy began in the city court. For the publication and dissemination of Hitler's book "Mein Kampf" [My Struggle], the procuracy accuses him of stirring up international conflict (Article 74, Part 1 of the Criminal Code of Russia).

Viktor Bezverkhiy is over 60 years old. In scientific circles he is known as a philosopher, linguist and former teacher of Leningrad State University. In political circles—as one of the ideologists of the national-patriotic movement in Russia, which is cultivating the superiority of the Russian nation.

Already 5 years ago, the competent organs became interested in the activity of Bezverkhiy. In his works "Antropologiya" [Anthropology] and "Bukvar" [Primer], he argued the necessity of the physical extermination of "inferior nations and nationalities"—Jews, gypsies; he argued that the best ideology for Russia is fascism. Together with persons having the same views he created the Obshchestvo volkhvov" [Society of Sorcerers], whose structure envisages the creation of militant groups of the type of the SS storm detachments in fascist Germany that carry out the will of the "sorcerers."

A year and a half ago, Viktor Bezverkhiy organized the publishing cooperative "Volkhv", under whose roof 300 copies of a short translation of Hitler's book "Mein Kampf", with a foreword of the New York Publisher "Russkiy klich", were published last summer and put on sale. An expert opinion established the criminal character of all texts of the pamphlet as "aimed at the stirring up of national animosity and conflict." This served as the reason for the institution of the criminal case according to Article 74, Part 1 of the Criminal Code of Russia.

For 2 months Bezverkhiy hid from the investigation, for which after his arrest he was put into a pretrial isolator. During the interrogations he tried to prove that he published Hitler for commercial purposes. This version is vulnerable since the entire edition was sold at a discount of 25 percent of its cost, and the entire sum gained went for the compensation of publication expenses. Documents seized during a search in his home—books of Hitler, publications of anti-Semitic content, correspondence with some "Russian fascist" living in Germany, which contains discussions of the inferiority of Jews and the necessity of fighting against them—will also become evidence against Bezverkhiy. But the chief evidence of the philosopher's guilt will probably be an oath introduced in the case, which was written by him in his own blood on a scrap of paper: "I swear to devote my entire life to the struggle against Judaism—the mortal enemy of mankind."

The decision of the city court in the case of Bezverkhiy, about which we will report later, may become a precedent, on the basis of which the judicial practice and the criterion for the assessment of publications of fascist content will at last appear.

St Petersburg 'Left Radicals' To Push for Alternative Referendum

934F0149B St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 3 Feb 93 p 1

[Article by A. Rabkovskiy: "Expect Pickets: The Left Radicals Are Strongly Inclined To Realize the Idea of an Alternative Referendum on the Russian Constitution"]

[Text] Activists of the RKRП [Russian Communist Workers Party], the movement "Nashi" [Ours], and a number of other forces of radical leftist orientation are strongly inclined to realize the idea of an alternative referendum on the Russian Constitution. On Monday evening, they held an organizational meeting in the club of the Staleprokatnyy zavod [Steel-Rolling Plant] for the purpose of instigating the collection of signatures for such a referendum.

More than 300 participants of the meeting practically unanimously approved the formulation of the single question which they want to submit for an all-Russian plebiscite: "Are you for the Soviet Constitution which guarantees the power of the workers, the right to work, low prices, free healthcare and education, a dignified old age, and housing accessible to all?" One cannot but note that, in the conditions of the present inflation, the increase in prices, and the complete confusion with medical insurance, such a formulation may seem exceedingly attractive to simple Russians.

A solid energetic group of 70 people was selected.

In the words of the leader of the RDRP, Viktor Tyulkin, analogous meetings have already taken place in Moscow, Vologda, Chelyabinsk, and other cities in Russia. True, up to now one can hear nothing about the beginning of the collection of signatures.

Well, here in St. Petersburg, the city soviet, where the protocols of the meeting have been sent, has the final word. Its organizers are convinced that they have not deviated one iota from the existing legislation, and therefore have no doubt that the collection of signatures will be allowed. So that at the end of February, at the most crowded places in the city, at subway stations, above all, pickets with signature lists will once again appear.

St Petersburg Mayor Appoints Deputy for Economics

934F0149C St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 12 Feb 93 p 1

[Article by V. Yakovlev: "To Sweep Aside the Obstacles Together"]

[Text] Still another deputy has appeared in the office of the mayor of St. Petersburg—a deputy for the management of the city's economy. Vladimir Anatolyevich Yakovlev, almost the entire life of whom has been connected with the most difficult housing problems of Leningrad-St. Petersburg, was appointed to it. He was

born in 1944 and was graduated from the extramural Northwest Polytechnical Institute. From 1968 to 1987 he worked in engineering posts in the construction and housing services of the city, and from 1987 to the present—as deputy chief of the main engineering TPO [territorial production association] for housing.

Yesterday our correspondent asked Vladimir Anatolyevich to answer a single question: Which of the city's problems seems to him the most difficult?

"Yes, they are all difficult," came the answer. "Both the repair and reconstruction and the maintenance of the existing housing. Planting the city with trees and gardens, clearing it of dirt and the blockage of rubbish. But gradually a great deal can be solved if the townspeople—the superiors, the common people, as well as the press—will act together.

And messieurs the businessmen, too, must not stand aside. It is very good that they have occupied the basements and ground floors of many buildings and established order here, and have delivered the city partly of mosquitoes. But why should they not concern themselves with the buildings themselves, the redecoration and painting of the facades of the same Nevskiy [Prospekt]? This is only one example. But there are thousands of them, where it is possible to combine efforts and make someone responsible in the interest of the development of amenities and the improvement of the maintenance of the city. And on this plane, I repeat, I am very much counting on the assistance of the press, with which I am prepared to cooperate in the closest manner."

Police Shut Down Voucher Scam

934F0149D St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 12 Feb 93 p 1

[Announcement by the Main Administration of Internal Affairs of St. Petersburg to the inhabitants of St. Petersburg about voucher scam]

[Text]

Dear Residents of St. Petersburg!

Many who have given their vouchers or money to the Amaris Joint Stock Company and the Revansh Association with Limited Liability have ended up without vouchers, without money, and without the promised income. In connection with this, social tension has developed and mass protest actions are being held. The Main Administration of Internal Affairs addresses itself to all the victims with the request to maintain their self-control, to refrain from taking actions that infringe on the normal vital activity of the city economy and the public order, and to act only through legal means. Any mass actions only make the work of the law enforcement organs more difficult.

On the basis of the facts of the infliction of property damage to persons who concluded contracts with the

Amaris Joint Stock Company and the Revanch Association with Limited Liability, criminal proceedings have been instituted and an investigation has begun, which will be conducted by the investigation unit of the City Administration of Internal Affairs.

The number of victims of the Amaris Joint Stock Company and the Revanch Association with Limited Liability number in the tens of thousands. No state structure is in a position to accept claims from such a number of people and to conduct the necessary legal actions simultaneously, or even in several days. The Main Administration of Internal Affairs is not carrying out the necessary organizational measures aimed at securing the most rapid and effective work with the claimants in this case.

St Petersburg Soviet Chairman Answers Corruption Charges

934F0139A St. Petersburg SMENA in Russian
22 Jan 93 p 1

[Article by Aleksandr Gorshkov: "Aleksandr Belyayev Is the Center of Attention"]

[Text] City prosecutor Yermenko's case, "A Gross Violation of the Law on Social Protection of the St. Petersburg Population," became the subject of a discussion that took up almost all of the work of yesterday's city soviet session.

Let us recall that the prosecutor accused Aleksandr Belyayev of unlawful use of resources from the Fund for Regional Support of the Population, which manifested itself in the granting of advantageous credits to some commercial banks. The city prosecutor saw illegal financial transactions in these actions.

Aleksandr Belyayev's position is also well known: The funds were allocated to the banks for financing specific goals and programs for the city's needs. Moreover, this granting of credits enabled at least some of the funds to be protected against inflation. Belyayev asserts that he acted in accordance with a Minor Soviet decision that gave him the right to coordinate the mayor's decision on allocating loans from the regional fund.

At a press conference that was held yesterday, the city soviet chairman once more recalled to whom and for what purposes he allocated the loans. Altogether during June-August the regional fund granted seven credits. Two of them—of 30 million rubles [R] each—to the Lombard Association and to a grain-products combine bore no interest.

Appropriate decisions by the Minor Soviet were the basis for this financing. The combine received funds needed for continuing the rebuilding because of the cutback in financing by federal authorities.

The Stankinbank for the Machine-Toolmaking Association imeni Sverdlov was allocated 50 million on the basis of a new product—the output of tractors for the forestry industry.

The Fund for the Protection of Public Order received 10 million at 53 percent for the construction of housing for militia personnel.

The Baltic Bank received 50 million at 50 percent at the height of the June nonpayment crisis, for paying wages to transport complex enterprises.

In Belyayev's opinion, the prosecutor, when preparing his case, did not carry out the required procedural actions—he did not inquire about the appropriate papers. In particular, the case was sent to the city soviet at the start of December, but verification by the mayor's financial administration, which has a direct association with the issuance of credits, began just on 5 January.

Incidentally, the findings of the workers' deputy group that was engaged in preparing a review of this question during the city soviet session noted that "the prosecutor's case contains certain facts that do not correspond to reality," as well as inaccuracies: The workers' group also indicated that since the matter is not violation of the law but violation of one of the decisions of the Minor Soviet (specifically, "The Regional Social Support Fund"), then there was no basis for making a case with the formulation, "gross violation of the law."

Among other things, Aleksandr Belyayev noted, there were a number of the mayor's orders about allocating money from the Fund that did not pass through the soviet. One cannot help but doubt the existence of grounds for some of these orders.

For example, the mayor sanctioned the payment of additional pay to workers of the mayor's municipal automotive transport enterprise because of the rise in food costs.

Still another order touched on compensation for the increased cost of tourist-group tickets to the sanatorium, "White Nights," for the handicapped and for war veterans.

The prosecutor did not forget to mention that 11 of the soviet's staff took vacations with these preferential tickets, but he forget completely that more than a hundred of the mayor's officials and directors of state and joint-stock enterprises had taken advantage of these same tickets. At the same time, eight handicapped persons received tickets through the Administration for Social Support. In the deputies' words, 25 associates of the GUVd [Main Administration for Internal Affairs] visited the sanitarium on the privileged tickets.

As a result of yesterday's discussion, a draft was presented to the workers' deputy group as a starting point for a decision. The draft establishes a violation by the city soviet chairman and his deputy of certain articles of the Statute on the Regional Fund in making temporary use of the fund's resources.

It also pointed to violation by the mayor and vice-mayor of the procedure for expending the fund's resources.

The workers' group considers it desirable to inform the General Prosecutor of Russia that the prosecutor's case contains some matters that do not correspond to actuality and is an unjust politicizing of said document.

St Petersburg Security Official on Foreign Agent Activity in Russia

934F0139B St. Petersburg SMENA in Russian
21 Jan 93 p 2

[Article by Vadim Nesvizhskiy: "KGB Dossiers Await Their Hour"]

[Text] Yesterday's press conference of Viktor Cherkesov, Chief of the Administration of the Minister of Security of Russia (MBR), was dedicated to the first anniversary of the ministry's formation and to the results of the MBR Administration's activity for the year for St. Petersburg and the oblast.

In the opinion of the current owner of the Great House, a practically new agency, under the canopy, moreover, of the laws on the security service and domestic intelligence that were adopted in 1992, was established in place of the KGB.

The main change, Cherkesov thought, was reorientation of the agency to the struggle with organized crime, the increase of which today "already today can affect the country's governmental foundations."

Nevertheless, the old predilections of the former KGB have not been forgotten: in Cherkesov's words, "the intelligence and counterintelligence organs are now even better equipped than they were several years ago and have not been truncated a bit." Which, as the chief of the Administration notes, is completely justified and explicable because of the "vigorous activity of foreign special services" in our area. In the colonel's words, definite complexities in the difficult struggle with the influx of foreign spies into Russia stimulates the use of "hostile" special services of countries close to the border as a "jumping-off place" for their insidious activity in the RF [Russian Federation]. Aside from the theft of our state secrets, the current James Bonds are occupied with something else: "We have every reason to think that foreign special services are carrying out their country's state task of organizing a brain drain from Russia," Viktor Cherkesov declared. "We are talking about specialists who are the common property and the national property of Russia." How the export of such "capital" is being prevented (given the existence of the obstacle of a man's right to free choice of place of residence), the colonel, unfortunately, did not explain. Then he added that in his "antispying" work, he had to encounter also the activity on RF territory of the special services of the new states "close to the border"—again without pinpointing whether the agents were from Ukrainian or Turkmen intelligence.

The main danger that Viktor Cherkesov sees occurring now is, in his opinion, an overflowing of criminality into the commercial structure.

The chief of the Administration thought that during the new elections these people will put forward their own candidates—and to prevent this it is simply necessary to use the security services. Based upon this, Viktor Cherkesov thought that the St. Petersburg soviet will introduce a legislative initiative for the adoption by the Supreme Soviet "to utilize the security organs' potential" when naming various state officials. All the more so since the MBR, judging by everything, has at its disposal extremely substantial "data banks" and will also be able to do the necessary screening of candidates for authority. Well, perhaps you will at least recall that we have lived in a country where any "candidate for authority" passed the check of the KGB. Is it necessary to return there?

Free Economic Zone Formed in St Petersburg

934F0139C St. Petersburg SMENA in Russian
22 Jan 93 p 1

[Article by Nataliya Zhukova: "Kronshtadt Will Be Opened Only for a Free Zone"]

[Text] After a couple of days the Presidential edict about the Yantar free zone was signed, and so everyone who works on similar projects took heart. Yesterday the local Kronshtadt authorities held a press conference. In accordance with an order of the St. Petersburg mayor, a free trade and customs subzone is being organized here, but Kronshtadt leaders consider that the city can lay claim to a different, a federal status for the zone that is being created.

The chief of the naval garrison, Aleksandr Melnikov, assures that both naval and civilian interests can live side by side within the framework of the free zone despite the arrival of part of the Baltic Fleet from the Baltic area. It is planned to deploy all the reinforcements only to those areas that now belong to the naval agency, since these areas—either on the island or in the water area—are not by far being used completely. Already today Navy Commander in Chief Gromov has decided to use some of the piers and the airfield for civilian needs. Housing for one and a half thousand sailors' families are being built on a 300-hectare session between Pulkovo and Lomonosov. The Ministry of Defense is spending no less than 11 billion rubles [R] on this.

The design of the Kronshtadt Zone is oriented to domestic capital, which should consist of 60 percent of investments another 20 percent local capital. The remaining 20 percent will be foreign investment. Participants at the press conference, including the design's executive director, could in no way justify this ratio of the percentages (usually free economic zones are marked by a much higher scale of foreign capital that has been acquired). It is not clear specifically what customs-duty and other advantages the owners of the Kronshtadt

Free Zone will want to receive. Only one figure was heard: the tax on exports will be lower than that proposed by 15 percent.

Well-known foreign companies that have declared an interest in the project were named. For example, South Korea's Samsung does not want to transfer to Hong Kong (which soon will be Chinese) its advanced technologies, but to us—by all means. At the same time there are at the Kronshtadt naval yard a high-class shop for radio- and electronic-servicing, where the state order already has been cut by a third. It is planned that a conversion will be made at this yard, and the yard's capacity at the free zone will begin to operate. Also in line are firms from Germany, Sweden, Norway, Japan, and South Korea.

Interest by Russia's oil regions—Tyumen and Tatarstan—has been noted. There is in Kronshtadt a warehouse for fuels and lubricants with a capacity of up to 40,000 tons. No new oil-pouring base of any kind will be built, but the existing capacity will enable petroleum product forwarding to be performed. Kronshtadt has at its disposal facilities for cleaning oil-containing water, and there are only three in Russia.

Besides everything else, the unique city still attracts tourists extraordinarily. It was opened up to foreigners not long ago, and they found Kronshtadt for themselves. Now cruise routes for large ships pass through Kronshtadt, and hundreds of yachts call at the port.

But nevertheless the city will remain closed—more than 80 percent of the residents voted for doing so. Entry only by passes. But then this is done in free zones throughout the world.

The package of papers for the Kronshtadt free zone is being examined "upstairs." A joint-stock company, Kronshtadt, was formed recently, 80 firms and banks established it, and 200 have applied to join it as founders. The new AO [joint-stock company] is engaged in creation of the free zone's infrastructure.

St Petersburg Officials Crack Down on Transport of Contraband

934F0143A St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Andrey Konstantinov: "'Mine-Sweep'. Full of 'Catch': The St. Petersburg Chekists Have Declared War on 'Economic' Contraband"]

[Text] The briefing for journalists that took place yesterday in the Administration of the Ministry of Security of Russia for St. Petersburg and the oblast was devoted to a discussion of operation "Mine-Sweep", which began last summer at the Russian-Estonian border. This operation was conducted by the Administration of the Ministry of Security of Russia jointly with border and customs organs, as well as the organs of internal affairs.

As Col Viktor Cherkosov, the head of the Administration of the Ministry of Security of Russia noted in his statement, it has been 3 years already that a, for the law enforcement organs, new term—"economic contraband"—made its appearance. This is what they called what never before was the subject of contraband—raw material, petroleum products, non-ferrous metals, and so on.

The subject of the pumping out of natural resources from Russia has already frequently been raised in the press, but the Fatherland has no shortage of sinful sons and daughters who sell them wholesale and retail.

During the period before the end of 1992 alone, the staff members of the Administration of the Ministry of Security of Russia, the militia, customs officials and border guards prevented the illegal export of raw materials and products from Russia valued at over R10 billion (in prices of the domestic legal market, of course). The actual money that one could get for all the confiscated cargo, no doubt, exceeds this figure.

For example, in October 1992 alone, 5 railway car loads of nickel and 49 railway car loads of aluminum were confiscated at the section of the Russian-Estonian border; in the prices of the London Exchange, during this period a metric ton of aluminum cost \$1,205, a ton of nickel—\$5,680.

Col Cherkosov stimulated the interest of the journalists in the fact that a very large percentage of the border area population is starting on the "contraband path." Unfortunately, these people are urged on by the serious economic problems of the region, unemployment, and the low level of social protection.

The resourceful contrabandists make use of any means to cross through customs points, including military transport. In shale mines cases of work stoppage were registered—cable with copper conductor was stolen in large pieces.

Last week, within the framework of operation "Mine-Sweep" in the Ivangorod-Narva sector, a complex of measures was carried out to prevent the transport of unlicensed cargoes across the border.

Border and customs details, together with staff members of the Administration of the Ministry of Security for St. Petersburg, carried out an around-the-clock, careful inspection of all the passenger trains bound to cross the border. During 5 days of around-the-clock "frisking," consumer products, non-ferrous metals, electronic equipment, and medicine valued at about R15 million were disallowed for illegal export from the territory of Russia.

For many train brigades and passengers, the operation came as a complete surprise. "At first people were in shock—the first days," the St. Petersburg Chekists reported. "Then people got used to it." At the end of the

5-day raid, the intensity of freight trains through Sala station fell from seven trains to one.

As was noted at the briefing, the chief obstacle in securing state interests for the law enforcement organs is not the low wages, the complete lack of technical means for detecting contraband, the poor organization and bad living conditions, and the frequent threats on the part of mafia groupings, but the absence of a border law for Russia.

For this reason, such operations are the sole effective means in cutting off contraband.

Proceeding from this, Viktor Cherkesov assured the assembled journalists that the briefing conducted by him does not signify the completion of operation "Mine-Sweep."

Judging by everything, our law enforcement organs will have to continue "mine-sweeping" at the Baltic borders for a long time.

St Petersburg Soviet Refutes Sobchak Criticism

934F0143B St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Igor Yulin: "About How the Small Soviet Prevented the Mayor for a Whole Day [FROM GOVERNING THE CITY]"]

[Text] At the beginning of November, Anatoliy Sobchak, in an interview with the influential French journal LE NOUVEL OBSERVATEUR, complained about how difficult it is to govern the city against the resistance of the city soviet, and informed the French readers that in the St. Petersburg City Soviet there are 400 deputies, and almost all of them are former communists.

The deputies rarely read French journals, but the text of the interview nevertheless found its way to the session of the Small Soviet. Nikolay Smirnov, a member of the Small Soviet (who never joined the CPSU) suggested to the mayor to find a method of apologizing, if he considers his utterances addressed to the city soviet as vexing slips of the tongue. Or to explain, on the basis of what data the conclusion was drawn concerning the hateful communist past of the majority of deputies. The city soviet recognized Nikolay Smirnov's appeal to Anatoliy Sobchak as a deputy inquiry.

Then the Small Soviet began to prevent the mayor from governing the city, introducing into the agenda of its session the question about the repeal of the next dozen orders of Anatoliy Sobchak and his deputies. However, the deputies also discussed other questions of city life.

One 24-hour period of "serving a sentence" for people arrested without recourse to the courts will cost R200 now. By decision of the Small Soviet, the "living allowance," similar to the price of a room in an average hotel, will be recovered from the arrested "through

compulsory collection". Previously, this sum—in accordance with the decree of the Presidium of the Russian Supreme Soviet—came to R1 per 24-hour period.

The deputies took that decision on the initiative of the chief of the directorate of administrative organs of the mayor's office, Anatoliy Smirnov. In the information submitted by the administration of correctional institutions of the city administration of internal affairs, it is stated that the "income" is planned from the receipt of the sums for the labor use of the people arrested without recourse to courts in the amount of R [illegible]. While the maintenance of arrested will cost the city approximately R26,000 in 1993.

The Small Soviet turned down the draft decision "On the Licensing of Educational Activity" submitted by the Committee of the Mayor's Office on Social Policy.

The deputies did not accept the draft even as a basis—first of all, because in many points it contradicted legislation, and secondly, as Georgiy Vasyutochkin, a member of the Small Soviet, explained, because "the members of the Small Soviet saw in the draft Regulation quite a few loopholes for bribery and corruption."

But on the other hand, the Small Soviet proposed to the mayor to find premises with an area of 7,000 square meters and make them available to the Juridical Institute of the Ministry of Internal Affairs for the siting of dormitories.

St Petersburg Prosecutor Accused of "Fascist" Sympathies

934F0143C St. Petersburg SMENA in Russian 3 Feb 93 p 2

[Article by Igor Yulin: "Mikhail Zhuravlev Does Not Trust One Procurator"]

[Text] Mikhail Zhuravlev, a member of the Commission for Legality of the St. Petersburg City Soviet, has proposed to the Small Soviet of St. Petersburg to express no-confidence in the procurator of the city, Vladimir Yeremenko and all his deputies. He came forward with a declaration in which he asserts that the procuracy promotes a wild outburst of fascist sentiments in the city and he prepared a draft decision of the Commission for Legality with the expression of no-confidence in the leadership of the procuracy.

The direct reason for such resolute action on the part of Mikhail Zhuravlev turned out to be the proposals of the procuracy of St. Petersburg in regard to the introduction of changes and additions in the existing legislation. The procuracy officials proposed to "put in order the statistics of criminal manifestations," having envisaged the registration of persons by citizenship and nationality... and to introduce administrative responsibility for "the infringement of national [ethnic] equality that has not entailed harmful consequences in the form of the infliction of substantial injury to the constitutional rights and

interests of citizens." Moreover, in the procuracy it is proposed that it is necessary to concretize the legal terminology of Article 74 of the Criminal Code of the Russian Federation (on the infringement of national [ethnic] and racial equality).

In the opinion of Mikhail Zhuravlev, all these measures will not only promote the intensification of the struggle against crime on an inter-nationality basis, but also entail directly contradictory consequences. For example, the introduction of crime statistics with registration of the criminal by nationality with a certain manipulation may serve to solve very definite political tasks.

As far as the "concretization of legal terms of Article 74 of the Criminal Code" is concerned, this, in the opinion of Mikhail Zhuravlev, is simply absurd: "This is the same as to concretize the terms of Article 102 (intentional murder): It turns out that, let us say, with a knife, a pistol, or a crowbar, killing is not allowed, but using other methods—since they have not been concretized—it is allowed.

No less absurd, from the point of view of Mikhail Zhuravlev, is the attempt to establish administrative responsibility for "intern-nationality" infringements of the law: "How can we talk about the immaterial nature of injury if we are dealing with an infringement of the Constitution?"

Mikhail Zhuravlev is absolutely convinced that the procuracy does not intend to fight against fascists. Meanwhile there exists a mass of signs of an extremely unfavorable situation in the sphere of inter-nationality relations. If in August 1992 Aleksandr Nevzorov called for "cleansing the city of blacks", in November 1992 already the mayor of St. Petersburg, Anatoliy Sobchak, in an interview with *NOUVELLE OBSERVATEUR*, declared that, if the government would give him extraordinary powers, he would, first of all, in 24 hours cleanse the city of Caucasians, who, according to his figures, commit 70 percent of the crimes in the city.

Too soft an attitude to the Nazis in his time became one of the reasons why the former procurator of St. Petersburg, Dmitriy Verevkin, left office. Now Vladimir Yermenko is being criticized for an analogous reason. True, up to now Mikhail Zhuravlev is not convinced even that he will succeed in getting the sharp-worded draft of the decision through the session of the Commission for Legality. But, to all appearances, the democratic movement still lacks the forces to compel the procuracy to fight more actively against the fascists.

St Petersburg Soviet To Reorganize

934F0143D St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Vika Uzina: "In the Corridors of the Mariinskiy [Palace] the Winds of Change Are Blowing"]

[Text] Judging by everything, this year great changes are awaiting the St. Petersburg City Soviet. At the second stage of the session opening in a week, questions of its internal reorganization, first of all, will be discussed.

This is connected with the necessity of increasing the effectiveness of the work of the Soviet and the personal responsibility of the deputies. Now, unfortunately, the chairman of the Soviet, Aleksandr Belyayev, is forced to expend up to 60 percent of his working time on sessions of various organs that do not have the right to carry out final decisions. It is expected that after the structural reorganization the apparatus of the Soviet will be reduced by 30-40 people. However, in the meantime "all attempts to establish elementary order at once encounter certain resistance," Belyayev noted at the regular press conference that took place in the Mariinskiy Palace.

Touching on the problems of the forthcoming referendum, Aleksandr Belyayev said that at this moment this is unjustified, both from an organizational and an economic aspect. It is interesting that R4.5 billion (about R1,000 per person) are necessary for St. Petersburg to conduct the referendum, quite sufficient for a successful sowing campaign in the spring. In the opinion of Belyayev, it is better to postpone the forthcoming referendum, and not vague propositions should be submitted for discussion, but concrete articles of the Constitution (those about which there is disagreement).

Besides organizational and political problems, Aleksandr Belyayev also touched on economic questions. In particular, he absolutely disapproves of the plan for the privatization of Lenenergo [Leningrad Regional Administration of Power System Management]. Practically the entire profit from the production of electric power goes into the federal budget, and the city is suffering a loss (including an ecological one) even where it could earn money.

And more. Next week the chairman of the city soviet leaves for Moscow—it is being proposed that on 8 February the question of the allotment of R201 billion from the federal budget to St. Petersburg will be discussed in the Supreme Soviet.

St Petersburg Residents Questions on Referendum

934F0143E St. Petersburg SMENA in Russian 4 Feb 93 p 1

[TASS report datelined St. Petersburg: "The Old Deputies Are Not Going the Way of the New Law?"]

[Text] "Who, in your opinion, should accept a new Constitution: The present membership of the congress of people's deputies, or an organ specially elected for this by the population?"—that is the question with which sociologists of the Center for the Study and Forecasting of Social Processes (director: Leonid Keselman) turned to the inhabitants of St. Petersburg.

From almost 2,500 persons polled, only 14 percent of the adult townspeople entrusted the adoption of a new Constitution to the present membership of the congress of people's deputies; the [word illegible] of a Constituent Assembly, a specially elected organ—52 percent; the remaining ones do not have a definite position in regard to this question.

Central Bank Freezes Credits to St Petersburg

934F0143F St. Petersburg SMENA in Russian 4 Feb 93 p 1

[Article by Dmitriy Travin: "Has the Ice Begun to Break in Credit Policy? Credit for the Replenishment of Working Capital Has Been Frozen"]

[Text] The Financial Committee of the Mayor's Office of St. Petersburg has received a telegram with information to the effect that the Central Bank is freezing funds that were earmarked for the extension of credit to enterprises for the purpose of the replenishment of working capital. Our city received (but now could not use) R2.8 billion. But not only what was earmarked for St. Petersburg has been frozen. What the enterprises will not receive are all the funds that up to now have remained in account No 148. And this means that the effect of the telegram will be felt throughout Russia.

What can such a move signify? Of course, it is possible that this freeze is connected with purely market-determined problems, with the unwillingness of the Ministry of Finance to spend allotted money at this moment. Enterprises may receive support later and in a different way. But against the background of the loud-voiced declarations of Viktor Chernomyrdin and Boris Fedorov about a sharp toughening of financial and credit policy the thought involuntarily arises that the freeze is the first sign in a series of measures of the new course.

The extension of credit to enterprises for the purpose of the replenishment of working capital is one of the most important sources of pumping money into the economy. Quite recently, in the fall, the first massed campaign for the extension of credits took place, and here already now the state was again prepared to give money to enterprises. But experience has already shown that the hopes for a precise analysis of the question about to whom concretely to give credit are groundless. The structures distributing the funds are incapable of separating the sheep from the goats and to support only enterprises which turn out really important products for society.

As a result, credit is obtained by all in succession, and more precisely, by those who look preferable in the eyes of the relevant bureaucrat. The preceding credit was distributed in our city by the Committee for Economic Reform of the Mayor's Office, headed by the former general manager of LOMO [Leningrad Optical-Mechanical Association], Dmitriy Sergeyev. It is not surprising that the funds basically went to enterprises of the defense sector and machine-building.

It has already been said repeatedly (including by Yegor Gaydar) that the money obtained in such a way frequently turns up at the foreign currency exchange. To buy dollars is more reliable than to invest the funds in raw materials and materials in the presence of unclear production prospects. And if raw material is purchased, money for the acquisition of dollars may already be sent

by the seller. The dynamic of the ruble rate is the best proof of the truth of the watch over the fate of these credits.

The termination of credit infusions is a serious anti-inflationary measure. The less money is circulating in the economy—the less the increase in prices, the less the fall in the rate of the ruble, the more stable production, and the higher the desire of potential investors to invest their money in real business, and not only in short-term speculation.

Of course, we do not have a great deal of sympathy for the change in the course of the government if everything is limited only by credit for the replenishment of working capital. Many other credits are also given. A direct increase in wages and pensions is taking place. Most likely, prices will also increase rapidly in February. But, possibly, some other anti-inflationary operations will follow in the near future.

The hopes are that it will prove possible to master the course of events, nevertheless a little. Soon will be heard the furious howl of the enterprises that have been deprived of money infusion. Discussions to the effect that Chernomyrdin is incompetent, that he is pulling down the country, are becoming more pointed. Most likely, the government will again go back on its word, as this happened already in the summer of last year. But one would like to believe in the best.

German Businessman on Kaliningrad Projects

934K0479A Moscow LITERATURNAYA GAZETA in Russian No 7, 17 Feb 93 p 9

[Article by Valentin Zapevalov, LITERATURNAYA GAZETA correspondent: "'German Invasion' of Kaliningrad: A Billion Marks for Major Construction and Reconstruction in Former Koenigsberg"]

[Text] Bonn-Munich—The plans of Munich entrepreneur Ulrich Luks are truly grandiose. Moreover, he is extremely confident of the reality of this project. He has a lot of experience: A businessman for 33 years, he built more than 50 trade centers and other complexes in the FRG. He maintains the firm as a private enterprise.

The firm Luks and Co. plans in the near future to undertake the "construction of the millennium" in Kaliningrad. A chief partner of the Munich group will be Walterbau AG from Augsburg (annual turnover of up to 11 billion marks). The list of future facilities itself will take a little time. The Germans intend to work on reconstruction of the port in Baltiysk (previously Pillau) and to expand Kaliningrad airport. They will become not only new European centers, but will "open the gates" to international tourism. Guests in the city and the oblast will be met by modern hotels, camping grounds, recreation areas, and supermarkets. Plans have been made for the creation of factory firm for the production of furniture, video, and radio apparatuses, and daily consumer goods. As a result the region will receive about 20,000

additional jobs. But this is still not all. Individual farmsteads with an entire agricultural inventory will appear in Kaliningrad Oblast. Butter, cheese (the famous Tilsiter) will appear on the tables of the city's residents and in neighboring European countries.

To my surprise, Mr. Luks did not have Koenigsberg roots. He was born in Danzig (Polish Gdansk). Therefore, my first question was:

[Zapevalov] Why are you investing this billion in Russia and not in Poland, which also needs investments?

[Luks] Kaliningrad has more promise, it is more interesting, and for the time being it is still untouched in the economic sense. It is true, I tried to start cooperation with the Poles as well. They proved to be difficult partners. Their prices increased each week.

[Zapevalov] The Russians are more yielding and reliable?

[Luks] Their conditions satisfied me. Not all of the preliminary work has been completed yet. But I am satisfied for the time being. Our positions also coincided on the main thing: It is not necessary to limit ourselves to individual small projects. It is necessary to develop the whole region globally and simultaneously. Therefore, a billion marks is only the beginning.

[Zapevalov] Good intentions are a noble thing; nonetheless, what benefit will this project bring to you personally? After all, if you put a billion in the bank and collect the interest, you will easily have more than 75 million marks in a year.

[Luks] Risk is an integral feature of entrepreneurship. In this case the risk is not as great as it seems. We will lease all the facilities for 50 years, and perhaps we will reach an agreement with Kaliningrad for an even longer period, and the expenditures will pay for themselves. Incidentally, we will pay the Russian workers in rubles and remunerate a certain sum in marks. This represents both an additional incentive and also potential buyers of Western goods in the future supermarkets.

And one more thing. Do not look for politics in my actions. The thought of a "German invasion" of Kaliningrad could not be further from my mind. Moreover, the land plots remain the property of the local authorities. In 50 or so years the constructed facilities will also be turned over into their hands, if we do not come to some kind of an agreement jointly. My objective is to assist the swift transformation of Kaliningrad into a major region of international cooperation. Everyone will gain from this.

P.S.

I tried to sound out how Bonn feels about this major project. The name of the firm Luks and Co. said little to high government departments. One billion, however, made an impression. Some reacted skeptically, and some believed in success.

Kaliningrad's Economic, Political Options Examined

934F0165A Moscow MOSCOW NEWS in English
No 6, 4 Feb 93 p 11

[Article by Vladimir Gubarev: "Kaliningrad: Living Without Moscow Supervision"; first paragraph is MOSCOW NEWS introduction]

[Text] Russia's territories and regions want rights of federative republics. Among them is the Kaliningrad Region, Russia's overseas territory.

When Lithuania declared her independence, she let Russia know that if its natural gas supplies were cut, the Kaliningrad Region would have it still worse.

Yet despite hostile economic acts, Kaliningrad's relations with Vilnius are better than with Moscow. Today, Kaliningrad is Lithuania's intermediary and sole natural ally in its dealings with Russia. Though mutual distrust is fairly strong. Take the recent border incident when conductors of the Moscow-Kaliningrad express came to blows with Lithuanian customs officers.

To avoid what they termed "gas blackmail" on Lithuania's part, Russian officials have decided to lay an additional pipeline to Kaliningrad across Belarus and Poland rather than Lithuania, even though it will be longer that way.

The expression "free economic zone" has been in circulation for nearly eighteen months. The main freedom applies to investments. The region has 368 enterprises with foreign partners. Foreign investments total 471 million roubles. Not an impressive figure by far. Germans account for most of it, namely, 197,639,700 roubles, but the Poles aren't far behind. They have a share in 162 firms with a total investment of 118,405,000 roubles. Other investors are American, Lithuanian, Latvia, Italian and Israeli.

There should be no illusions. Some of the foreign investments amount to obsolete much used equipment worthless in the West the investors would not be too upset to lose if anything should happen. Essentially, joint ventures operate in fields that do not involve heavy investments—chiefly intermediary services, tourism, transport, and processing of farm produce and shrimps.

The low local purchasing capacity makes import of goods unprofitable, while border restrictions hinder use of cheap local labor for exportable goods. Entrepreneurs, in fact, are in no hurry to invest their money. Some are waiting for full-scale privatization, others fear the region will one day be returned to Germany.

The German threat, however, is unreal. Kaliningrad has no German consulate, for example, while a Polish one exists. Resettlement of Soviet Germans in the Kaliningrad Region is very slow: about 500 persons a year. At present, resettlers total a little over 5 000. And experts



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CENTRAL EURASIA



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POLITICAL AFFAIRS

Congress Urged To Resolve Economic Crisis

934E0255A Moscow TRUD in Russian 10 Mar 93
Evening Edition p 1

[Article by Nikolay Kishkin: "The People Are Tired of the Upheavals"]

[Text] Three months separate the Seventh Russian Congress of People's Deputies from the Eighth, Special, Congress opening today. What has this period of time shown?

We frequently hear today: Enough of political "show-downs," it is time to really deal with the economy. An entirely reasonable demand if it considered that the economy is not only in profound crisis but has long been a hostage to politics. It was to the surmounting of this abnormal situation that the conciliatory resolution adopted at the last Congress and the April referendum it scheduled were geared. It afforded, seemingly, an opportunity for an end to be put to the destructive confrontation of the authorities once for all and for, finally, some work to be done.

But it was soon ascertained that it was only possible to take advantage of it given the general accord and desire of all political forces. And it was this desire which was not revealed. As of mid-January an active attack on the very idea of a referendum was mounted from deep within the Supreme Soviet (and not just from it alone). There came to be mutual intimidation with the fact that an appeal to the people would cause a split in society, the disintegration of Russia, and God knows what else. The political atmosphere became more heated as the days went by, and by mid-February it had become clear that conducting a referendum in such an atmosphere was, truly, problematical. This was stated by the leaders of republics which are subjects of the Federation and the Constitutional Court.

Under these conditions the president made his move. Very well, he said, let us try without recourse to a referendum to conclude an agreement between the legislature and the executive, in which each undertakes not to interfere in the powers of the other and to refrain from steps aimed at upsetting the balance of powers. This proposal was supported by the Constitutional Court, and the speaker of parliament agreed with it in principle. But it was here that it came to be ascertained that the legislator wants neither a referendum nor an agreement—he simply cannot, it would seem, relinquish the idea of his own absolute power. The president went his half of the way, presenting to the Supreme Soviet a working draft agreement. Parliament, however, not only postponed consideration of it until the last day but failed to present its own document. The time for reaching agreement was let slip, and now all this will spill out onto the Congress.

What should we expect from it? The alternatives could be unexpected. But if all political and legal nuances are jettisoned, it is essentially a question of just one thing: the direction in which our statehood will develop. And there are only two paths here. The first—we build a democratic state based on the principle of a clear-cut separation of powers, in which each balances the other and none may have absolute power. Given this scenario, as the experience of all democratic countries shows, I, a citizen, would have the most protection against both the absolute rule of a president and his team and the absolute rule of several hundred deputies, who also could act completely recklessly.

The second path is a return to the "republic of soviets," to the type of state with the complete destruction of the independence of the executive. Judging by the recent statements of a number of influential deputies, and of the speaker also, attempts could be made to return us to this path. R. Khasbulatov, for example, has declared that the government should altogether be removed from the control of the president and made accountable only to parliament. Given these conditions, where the powers "interface," the length of the vertical line, what is more, the present speaker or whoever replaces him in the future would essentially be the No. 1 in the state, with inordinate powers, what is more. The oddest thing is that, were this to come about, parliamentarianism would be done away with... by the hands of parliament. We recall that in his April theses Lenin even saw this republic of soviets as the antipode of the parliamentary republic. And he was right: It is very convenient to manipulate a single power vertical, which itself decides the laws and itself executes them, which was what the CPSU did for dozens of years...

It is significant that, championing similar ideas, V. Isakov, a leader of the Russian Unity bloc, substantiated them by the noble aspiration to defend the government against the president. The office of the president, he declared, is substituting for the government, which cannot function as an independent body. But here's the puzzle: Prime Minister V. Chernomyrdin, who was unanimously appointed by the Congress, was declaring at literally the same time that for the government the president had always been the main support and that it senses on the part of the president not petty tutelage, as on the part of parliament, but solid and powerful support. Who is impeding whom?

A month ago even the V. Chernomyrdin government had approved a plan of action for realization of the economic reform, which provides for measures pertaining to the social protection of society, the surmounting of the decline in production, financial stabilization, and support for the rural producers. But it is convinced that unless the balance of powers is restored quickly, these plans will remain on paper because the government has been deprived of the opportunity for normal work. It is

important that the Congress recognize this. Only harmony can extricate us from the political impasse and make it possible to deal with the ailing economy in earnest.

What are the options of the Congress and the president? B. Yeltsin could offer the deputies the draft agreement ignored and then rejected by the Supreme Soviet. But it is unlikely that any accommodation could be reached in a thousand-strong audience seething with passions. The Congress could attempt to revoke the December resolution in respect to a referendum. But doing so while remaining in a legal environment is, it would seem, impossible. After all, that agreement stipulates directly that all its points operate in a package, and, consequently, the rejection of one would mean termination of the others. But the president, by virtue of this agreement, has already compromised and chosen a candidate for prime minister from the ranks of the said deputies. Has the Congress then deceived the president?

And if the referendum is held, for all that, what will the question be? The Supreme Soviet, which was to have formulated the questions in good time, coordinated them with the president and the Constitutional Court and forwarded them to the subjects of the Federation, did not do so. The draft drawn up by the Supreme Soviet Presidium was simply not put to the session. The president waited until the last minute. He has now put forward his own version of the basic constitutional provisions and has the right to insist that the referendum be held.

These are the questions which B. Yeltsin proposes:

1. Do you agree to the Russian Federation being a presidential republic?
2. Do you agree to the sole supreme legislative body of the Russian Federation being a bicameral parliament?
3. Do you agree that the new Constitution of the Russian Federation should be adopted by a Constitutional Assembly representing the entire multinational people of the Russian Federation?
4. Do you agree that each citizen of the Russian Federation has the right to possess, enjoy, and dispose of land as an owner?

Of course, the Congress could in this case also refuse to hold a referendum, even disregarding the unlawful nature of such a step. The president would then be left with the following option: appealing to the people directly, but not in the form of a referendum, which he does not have the right to call independently, but by way of a nationwide poll. Its results would not, of course, have direct legal consequences but it would be hard, for all that, to ignore in legislative activity the opinion expressed by the people.

As we can see, simple solutions from the Congress are not to be expected. Nonetheless, there remains the timid hope that the deputies will recognize the entire extent of

the risk of a continuation or, God forbid, intensification of the confrontation and will look for ways toward harmony. Wisdom is required of all "parties" more than ever. We truly need a great Russia, not great upheavals.

Supreme Soviet Discusses Possible Agenda

934F0177A Moscow ROSSIYSKAYA GAZETA in Russian
26 Feb 93 p 1

[Article by Aleksandr Linkov, parliamentary observer:
"The Eighth Congress Assembles After 8 March"]

[Text] Having yesterday adopted the proposed agenda as the basis, and it contained ten questions, the parliamentarians at once tried to introduce a number of further additions to it. Deputy V. Travnikov demanded information from the Ministry of Defense about the Officers' Meeting that was held. Along the same line was the proposal of M. Molosinov, who is disturbed by the activation of various unregistered groups that come out with anti-constitutional appeals. In his opinion, it is necessary to give an assessment of a number of deputies, who openly support these demands.

The members of the faction "Smena—Novaya politika" [Change—New Politics] I. Muravyev and O. Plotnikov insisted on the creation of deputy commissions. One of them should take up the study of the legality of presidential initiatives, the other one—investigate the situation that has taken shape in television, where, in the opinion of O. Plotnikov, political censorship has already been introduced.

Deputy L. Ponomarev considered questions of the forthcoming referendum and the draft constitutional agreement as the main subject for immediate discussion.

One of the initiators of the collection of signatures in support of holding an extraordinary Congress, B. Dorkin, proposed to settle on a date for the convocation. The necessary number of votes for this was obtained. Besides this, there is great support from the heads of administrations and leaders of the Soviets.

There were also other proposals. The discussion around them took about 1.5 hours. After an exchange of opinions, many of them simply were not included in the agenda, others were carried over to the next session. Including also the question about the convocation of an extraordinary Congress of People's Deputies.

Expressing his point of view, the chairman, R. Khasbulatov, noted that it is necessary to hold the Congress. This was also declared unanimously at the last conference in Novosibirsk. But at the same time, it is impossible to refuse the people its right to a referendum. Now the Supreme Soviet has its variant of formulations, but up to now nothing has been received from the President.

The parliamentary leader once again spoke out in favor of holding early elections simultaneously for President and the deputy corps no later than the spring of next year.

The subject of a constitutional agreement was pointedly raised, the draft for which was prepared by the presidential side and distributed in the parliament. The deputies A. Golovin and S. Baburin regard its examination impossible since the demands advanced in the draft are unconstitutional.

The final result was that the question of the convocation of an extraordinary Congress will be examined next Thursday. One can assume that precisely on this day there will be a pointed discussion of the agenda, the prospects for holding the referendum, and the fate of the draft constitutional agreement. For the present, it may be supposed that most likely the Congress will meet on 9-10 March.

The parliamentarians turned down the draft fundamentals of the legislation on the protection of the family, maternity, paternity, and childhood. The chairman of the Committee for Legislation, M. Mityukov, spoke quite categorically against this bill, believing that the attempt to make the family a subject of law, as this is written in the fundamentals, will explode the existing legislation. This point of view was also supported by another member of the above-mentioned committee—D. Stepanov. The attempts of N. Pavlov and other deputies no less energetic—to defend the prepared draft—had no effect. As a compromise, the fundamentals of legislation were sent for finishing, for the elaboration of some articles.

Having decided the fate of one enforceable enactment, the parliamentarians examined and adopted the decree of the Supreme Soviet on the State Non-Budget Fund for the Reproduction of the Minerals and Raw Materials Base.

Poll Suggests Referendum 'Highly Doubtful'

934E0187A Moscow *RABOCHAYA TRIBUNA* in Russian
26 Feb 93 p 1

[Unattributed article: "The Chances for Conducting a Referendum Are Highly Doubtful"]

[Text] When conducting a survey of leaders in Russia's political and social life (400 people), the VP [Vox Populi] Service for Studying Public Opinion drew the following conclusion: The referendum is threatened with failure. You can see in the diagram how the forecasts of those surveyed broke down.

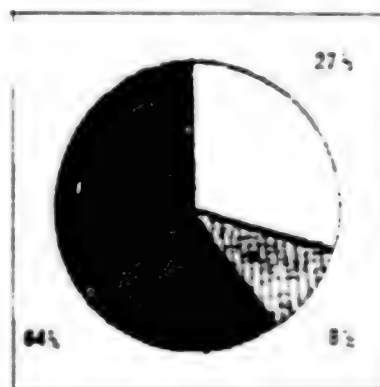
Sixty-four percent of the respondents expressed confidence that only up to half of the population would come to the ballot-box. This will make the expensive measure to conduct the referendum senseless because at least 51 percent of the country's inhabitants, who have reached adulthood, is required in order to recognize the legality

of its results. One out of five "pessimists" thinks that one can count on the activity of no more than 25 percent of the citizens. However, a large part of the group surveyed, nevertheless, raised this figure to 40 percent.

Twenty-seven percent of the respondents expressed more optimistic forecasts—they hope that more than half of Russia's population will express their weighty utterance in April.

Only eight percent of those surveyed found it difficult to answer the question of how many of the country's inhabitants would participate in the coming referendum.

The survey was conducted among Russia's people's deputies, directors of state enterprises, entrepreneurs, scientific and cultural figures, leaders of the press, and leaders of political parties. It is possible to note that, with the exception of the two last groups of respondents (their opinions broke down equally), the others—in an overwhelming majority—think that the chances for conducting a referendum are extremely doubtful.



Buryatia PM Opposes Holding Referendum

934E00344 Moscow *ROSSIYSKAYA GAZETA* in Russian
5 Feb 93 p 1

[ITAR-TASS-attributed report: "In Buryatia They Are Having Doubts About the Need for a Referendum"]

[Text] The prime minister of the Republic of Buryatia, Vladimir Saganov, has called the upcoming April referendum a caricature of a public relations exercise.

The head of the government expressed his serious doubts that the Fundamental Law of the state can be debated by means of "a vote in polling booths." "At a referendum," he said, "precisely worded questions should be posed for which two opposite answers can be given—'yes' or 'no'—not questionnaires with propositions that can be debated for a long time and that may be interpreted in different ways. The Congress of People's Deputies should formulate the questions before people express their will."

Tomsk Residents Polled on Referendum, Reforms

934F0170B Moscow ROSSIYSKIYE VESTI in Russian
25 Feb 93 p 2

[Article by Sergey Ovsienko: "The Russian Heartland Is Experiencing an Information Famine"]

[Text] Not long ago Tomsk Oblast Presidential Representative Stepan Sulakshin spoke out in our newspaper, and expressed in the name of its readers the opinion that the present Congress of People's Deputies cannot be trusted to adopt a new Constitution. One respected newspaper expressed doubt as to Sulakshin's right to speak thus in the name of the citizens of Tomsk. But if, the newspaper suggested, a sociological survey were conducted in the oblast, then perhaps... Well, what of it? A survey is a survey. In January (prior to Sulakshin's statement in "RV"), the Tomsk Fund for the Support of Progressive Economic Reform sponsored research on the forthcoming referendum, in which 800 persons with the right to vote were polled.

The goals and tasks of the survey included an assessment of the public's degree of readiness for the referendum, the alignment of the political structures, the degree of political activeness of the public and the degree of trust in the power structures in Russia.

Here are the results received from the main question: "Do you intend to take part in the referendum?" Answering positively was 33.75 percent of those polled. 33.0 percent do not intend to take part, and 33.25 percent of the respondents were hesitant because they did not have enough information on the most important political events.

It is evident that, although a certain attitude toward the referendum has taken shape in the Russian heartland, nevertheless not enough objective information about it is reaching the citizens.

Analysis of the social groups which spoke out in favor of the referendum provides basis for reflection in the process of conducting the preparatory campaign, among them were 91 ordinary workers, 51 engineering and technical workers, 22 white-collar workers, 30 health-care and education workers, 21 students and pupils, one military serviceman, 16 entrepreneurs, and 38 pensioners and housewives.

Expressing a negative attitude toward taking part in the referendum were 64 ordinary workers, 38 engineering and technical workers, 15 white-collar workers, 36 health-care and education workers, 39 students and pupils, 3 military servicemen, 25 entrepreneurs, and 43 pensioners and housewives.

Nearly 42 percent of those polled do not support attempts to cancel the referendum, while 11 percent approve, and the remainder of the respondents are unconcerned.

These data once again confirm that citizens in the Russian heartland are not well-informed on the goals and tasks of the forthcoming referendum. The organizers of the sociological research decided to determine the rating of the mass information media from which respondents receive information on political life in Russia. Out of 583 persons responding to the question on sources of information, 236 persons watch the "Novosti" program and 236 watch "Vesti"; 89 persons read "AiF" [ARGUMENTY I FAKTY], 67 watch "600 Sekund" (This program is distributed via video cassette), and 59 watch "Itogi"; 43 read KOMSOMOLSKAYA PRAVDA, 52 listen to "Radio Rossi," and 21 read TRUD.

Responses to a questionnaire concerning the citizens' preferences illustrate the correlation of federalist and autonomist sentiments, and not only in the oblast. To a certain extent the results of the polling on this topic can be projected to the entire Siberian region. After all, Tomsk is the "birthplace" of the idea of a "Siberian Covenant."

Twenty-one percent of those polled would prefer to be citizens of the USSR, of the Russian Federation, 51 percent; of an independent Siberian state, 9.0; while 3.0 percent of the respondents desire to move away and change their citizenship, and 78 persons (9.0 percent) had difficulty answering the question.

Apparently, autonomist sentiments in Tomsk are not especially widespread, but nostalgia is quite perceptible for a unified, powerful and influential state since 21 percent of those polled identify with the USSR.

An evaluation of the form of supreme authority in Russia was made possible by a question on the preference for a republic headed by a President, or for Soviet rule headed by the Supreme Soviet.

Three-hundred-sixty-four respondents favor a presidential republic, 149 of those polled are in favor of the soviet form of rule, and 286 persons had difficulty answering the question.

The opinion of the respondents was sharply divided on the question of land ownership as well: 57 percent responded in favor of private ownership of the land, 22 percent for state ownership, and 19 percent had difficulty answering.

Attitudes of 800 respondents toward the course of reforms showed that 52 percent are in favor of continuing the economic market reforms, 23 percent are for restoration of the principles of a socialist economy, and the remainder had difficulty answering.

A question concerning trust in the central authorities produced a variety of answers. Here is what the people of Tomsk prefer: 7.0 percent of the respondents trust the Government, 23 percent trust the President, the Constitutional Court, 10 percent; the Supreme Soviet, 5.0

percent; the Congress of People's Deputies, 6.0 percent; and the remainder (46 percent) did not express an attitude.

It would appear that Moscow should devote serious thought to the answers to this question.

Other answers to the question on trust, but this time on Russian leaders, provide serious food for thought as well. The question allowed four options in response: "I do not trust," "I do trust," "I am indifferent," and "I do not know of him." For the sake of economy, I will cite the answers to the question according to the second option, "I do trust." I remind you, 800 persons were polled.

Forty-seven respondents trust Volstkiy; 303, Yeltsin; 33, Zhirinovskiy; 158, Rutskoy; 103, Khasbulatov; and 146, Chernomyrdin.

The highest rating of trust is, as evident, for Boris Yeltsin (37.83 percent); but those who do not trust him amount to 40.63 percent. The highest rating of non-trust goes to R. Khasbulatov, 51.62 percent. Rutskoy drew the highest rating of indifference, 37.63 percent; while the highest ratings for non-recognition went to A. Volstkiy, 28.38 percent, followed by V. Chernomyrdin with 27.50 percent, but, the respondents express the least amount of distrust in the Premier.

The question, "Which parties or political movements express your interests," produced somewhat different results. While recognizing that [some of] the 800 persons polled do not consider the parties and movements listed on the questionnaire representative of their interest, the Civic Union [Grazhdanskiy Soyuz] enjoyed the greatest influence in the responses (a paradox, since the leader of the GS received the highest rating for non-recognition), 11.0 percent; Democratic Russia, 7.0 percent; the Peasant Party and Economic Liberty Party, 6.0 percent; the Russian Constituent Assembly, 3.0 percent; and the Communist Party, 3.0 percent.

I will not comment on the results of the survey in detail. I think that they are quite clear. I would just like to say that, no matter how the Russian leaders resolve their political tasks at the center, the provinces have the last word. But they, unfortunately, are experiencing a great famine of information.

Problems in Coordinating Local, National Legislation Viewed

934F0071A Moscow ROSSIYSKIYE VESTI in Russian
11 Feb 93 p 2

[Article by Yuriy Tikhomirov, under rubric "The Law": "Decisions 'From Below' Frequently Contradict the Laws. How Can Their Quality Be Improved?"]

[Text] At the end of last year, in Petrozavodsk, I became acquainted with decisions of local agencies. It turned out that a list was planned from 31 documents, to be developed by the mayor's office, and 13 documents to be

approved by the city soviet in conformity with the self-government charters. That had never happened previously, inasmuch as the decisions used to come in a flow from above, and in the outlying areas steps "in execution of" and plans for the measures were taken. Now, however, the percentage of the acts promulgated by the territorial agencies is increasing sharply.

The explanation of the tendency lies in the change in the status of the krais, oblasts, and autonomous formations, which have become subjects of the Federation. Their legal acts have acquired the sense of state decisions, and it is not by happenstance that, in the Federative Treaty and the Constitution, it has been established that their charters are subject to state protection in the same way that laws are. Yes, local self-government received, by law, those guarantees of independence at a time when a barrier is being erected against the stream of documents from the top and much can be decided in a procedure of self-regulation.

That is the model of territorial decisions. But what occurs in the practical situation? The real picture fails greatly to coincide with it. And here we might note first of all the lack of clarity with the understanding of the nature and varieties of those acts. Their large number and their variety with regard to content and form at times make it difficult to establish order in the creation of territorial norms.

What kind of documents are these?

First, constituent acts of the type of kray and oblast charters, local self-government charters for cities and rayons, and management schemes. Second, regulating acts—statutes governing permanent commissions, regulations for Soviets, instructional guides. Third, general directive acts—decisions, decrees, orders, directives. There are also certifying acts—certificates, balance sheets, construction plans, etc. One can also isolate self-government acts—decisions made by meetings, assemblies, and local referenda.

Each type of act should serve to resolve a particular task, and all of them together should serve to execute the functions of the Soviets and the administration. Also, this very rarely happens. The quality of a number of documents is low. The charters imprecisely delimit the powers and the levels of decision-making. The schemes for management of the oblasts are prepared in a simplified manner, in the form of a list of agencies.

Frequently the local acts go beyond the limits of "what is allowed by the law" and "pull away" to themselves the competency of the federal or other higher agencies. Why, for example, was it necessary for the small Kostroma Oblast Soviet to declare by its decision that all the citizens of the former USSR who are not residing in Russia are foreign citizens or persons without citizenship? On the other hand, the central agencies repeatedly violate the rights of the territories and thus deprive them of the opportunity to make decisions within the confines of the law. One can understand, in particular, the protest

of the chairmen of a number of oblast Soviets with regard to violation of the laws governing the budget and taxes in the President's 1993 budgetary message, when Minfin [Ministry of Finance], acting on its own, "coordinates" the budgets of the krays and oblasts.

Currently the statutes governing the links in the administration are approved in the outlying areas. Familiarization with certain statutes concerning the committees of the mayor's office in St. Petersburg and Petrozavodsk has convinced me that they imprecisely define the vertical and horizontal ties and the nature of the decisions. It is unclear whether we now have a legal vertical line. But the departments either continue to "lean on" the outlying areas, or remain aloof and do little to help.

It is fitting here also to deal with the legal foundations for the making of decisions by territorial agencies. In the sphere of the joint competency of the federation and the krays and oblasts, the publication *Principles of Legislation* and other federal acts opens up the path for the creation of norms in the regions. It is a good thing when these acts have been stipulated in the Education Law, in the Principles of City Construction, and the Principles of Legislation Pertaining to Culture. So the Novgorod Oblast Soviet, in development of the law governing the privatization of enterprises, approves its own Statute Governing the Procedure for the Privatization of Enterprises, on the basis of land laws—Statutes Governing the Allotment of Sectors of Land. The situation is proceeding along the same path in Irkutsk Oblast.

It is important at such time not to reproduce almost completely the norms of laws to avoid "legal devaluation" and to find the precise measure of their legal concretization. Consequently, local acts of the type of rules, statutes, the procedure for the use of monuments of history and culture, the granting of benefits to enterprises, and the leasing of housing are possible and desirable. When? If there are direct references to them in the laws, or their concretization is allowed on the basis of the sense of the norms. But definitely without changing the content of the actions, the subject of the decision-making, etc.

It is incomprehensible why, in a number of oblasts, attempts are being made to consider as invalid certain laws and edicts, or individual statutes in them. In general a break in the threads between the law and a local act is pernicious for economic and social activities. Because then the laws "hover" in the air and are not implemented, while the acts promulgated by the territorial agencies become substitutes for them. The chaos in the outlying areas increases, and the integrity of administration suffers.

Of course, the increase in the percentage of the acts promulgated by territorial agencies is invariably accompanied by legal collisions and conflicts. Legislation stipulates the procedure for suspension and repealing of acts. But, unfortunately, in the courts there are few disputes with the participation of the Soviets or the administration, and more frequently they are reviewed in a court of arbitration. And yet there exist opportunities for reviewing disputes

concerning competency in the courts of Russia and of the republics that are part of it. For the time being, however, there are no such cases, and this creates the illusion of the arbitrary application of the statutes in the Constitutions and the laws and the enactment of local acts.

Taking into consideration the role of those acts, one ought to apply efforts to improve their quality. What is the best way to do that? What will certainly help are model rules or methodological recommendations for preparing, enacting, and executing decisions in the territorial agencies. In the krays, oblasts, rayons, and cities, what is needed is their own "decision rules," and plans for preparing them. It is necessary to begin immediately to create territorial agency "act banks" and Supreme Soviet law banks, and banks of acts of the President's and the government's apparatuses, which are linked to one another by information technology. Then it will be easy to execute them and to use them when preparing legislative and governmental acts, orders, and instructional guides of ministries and state committees.

Obviously, also, it will be necessary to assimilate the decision theory and the procedures for enacting legal acts at all levels. Without knowledge in this area it is difficult to count on high-quality decisions. But if there is an increase in the number of participants in preparing, enacting, and executing them, the assimilation of the appropriate knowledge must be viewed as a kind of proficiency requirement for the people's deputies and the workers at the central and territorial agencies.

Editorial comment. Yu. A. Tikhomirov, doctor of legal sciences, professor, first deputy director of the Institute of Legislation and Comparative Legal Studies.

Edict Restructures Presidential Office

93SD02824 Moscow ROSSIYSKAYA GAZETA in Russian
5 Mar 93 p 5

[Edict of the president of the Russian Federation: "Improvement of the System of Support for the Activity of the President of the Russian Federation"]

[Text] For the purpose of an improvement in the organization of the activity of the president of the Russian Federation and an enhancement of the level and quality of the expert-analytical preparation of decisions, I resolve:

1 To form a Presidential Council and Council of Heads of Administration as consultative bodies under the president of the Russian Federation

To approve the Regulations Governing the Presidential Council (Appendix 1) and the Regulations Governing the Council of Heads of Administration Under the President of the Russian Federation (Appendix 2).

To form a Control-Observation Council under the head of the Office of the President of the Russian Federation.

That the head of the Office of the President of the Russian Federation will submit for approval draft Regulations

Governing the Control-Observation Council and proposals concerning the personnel composition of the Presidential Council and the Control-Observation Council.

2. To approve the Regulations Governing the Office of the President of the Russian Federation and the structure of the Office of the President of the Russian Federation (Appendix 3).

To form in the Office of the President of the Russian Federation:

a Department of the Office of the President of the Russian Federation for Work With the Territories and Representatives of the President of the Russian Federation and Liaison With the Supreme Soviet of the Russian Federation;

an Analytical Center of the Office of the President of the Russian Federation for General Policy;

an Analytical Center of the Office of the President of the Russian Federation for Socioeconomic Policy;

an Analytical Center of the Office of the President of the Russian Federation for Special Presidential Programs;

a Center of Current Information of the Office of the President of the Russian Federation;

an Organizational Branch of the Office of the President of the Russian Federation.

To approve the regulations governing the Department of the Office of the President of the Russian Federation for Work With the Territories and Representatives of the President of the Russian Federation and Liaison With the Supreme Soviet of the Russian Federation (Appendix 4); the Analytical Center of the Office of the President of the Russian Federation for General Policy (Appendix 5); the Analytical Center of the Office of the President of the Russian Federation for Socioeconomic Policy (Appendix 6) and the Analytical Center of the Office of the President of the Russian Federation for Special Presidential Programs (Appendix 7).

That the head of the Office of the President of the Russian Federation will approve the regulations governing the other newly formed structural subdivisions.

3. To abolish the Presidential Consultative Council.

4. To abolish in the Office of the President of the Russian Federation:

the Office of the State Secretary of the Russian Federation;

the Information-Analysis Center of the Office of the President of the Russian Federation;

the Current Information Service of the Office of the President of the Russian Federation;

the staffs of advisers of the president of the Russian Federation.

5. To approve the Regulations Governing the Council of Experts Under the President of the Russian Federation (Appendix 8).

To form on the basis of the Group of Experts of the President of the Russian Federation and the Secretariat of the Chairman of the Council of Experts Under the President of the Russian Federation the working apparatus of the said Council.

6. To approve the structure of the Constitutional Law Department of the President of the Russian Federation (Appendix 9).

7. To convert the Main Social-Production Department of the President of the Russian Federation into the Main Social-Production Department of the Office of the President of the Russian Federation in accordance with the Regulations Governing the Office of the President of the Russian Federation.

That the head of the Office of the President of the Russian Federation will present for approval the Regulations Governing the Main Social-Production Department of the Office of the President of the Russian Federation.

8. To entrust to the Main Social-Production Department of the Office of the President of the Russian Federation material and technical and social-everyday support for the activity of the heads of federal arms of the executive of the Russian Federation and also employees of the Office of the President of the Russian Federation and the administrative machinery of the Council of Ministers-Government of the Russian Federation.

To entrust the medical and sanatoria-resort services for the said employees to the Government of the Russian Federation Medical Center.

9. That the head of the Office of the President of the Russian Federation will approve the structure and list of personnel of the subdivisions of the Office of the President of the Russian Federation within the limits of the current staffing level.

10. That the Constitutional Law Department of the President of the Russian Federation will present within two weeks' time proposals concerning the annulment of instruments of the president of the Russian Federation which have become inoperative in connection with the adoption of this edict.

11. That this edict will take effect the moment it is signed.

[Signed] B. Yeltsin, president of the Russian Federation
The Kremlin, Moscow

22 February 1993

No. 273

Note Appendices 1-9 are not published.

Yeltsin Reorganizes Administration

934E0199A Moscow IZVESTIYA in Russian 27 Feb 93 p 5

[Article by Vasily Kononenko, personal correspondent. "The President of the Russian Federation Is Trying To Make His Administration More Efficient"]

[Text] The ukase of President B. Yeltsin of the Russian Federation of 22 February this year on the reorganization of his administration was already reported in an earlier edition of IZVESTIYA. The editors also have copies of statutes on new links of the administration that seem relevant from the standpoint of the functioning of the presidential administration and the interaction of its different links. Here are some of them.

Statute on Presidential Council

This body already existed earlier under another name—the Advisory Council. It met when necessary, usually on the eve of important political events, to analyze the current situation. At the last meeting of the council the president requested the prominent political scientists and social and economic experts on the council to begin analyzing major issues of long-range concern to the Russians. The members of the Presidential Council will volunteer their services.

Statute on Council of Administration Heads

The creation of this kind of body was already being contemplated when the Council of Republic Leaders was established, primarily because the heads of local administrations who had signed the Federation Treaty were left out of the process of planning Russia's development strategy. The Governors' Union, which was created soon afterward as a public organization, did not become the kind of body the president could rely on for assistance in

decisions on major issues. Now the prime minister, the secretary of the Security Council, and the chairman of the State Committee on Ethnic Relations will attend meetings of the Council of Administration Heads. It should secure united action by federal and local agencies of the executive branch of government. Council members will not be paid a salary with administration budget funds.

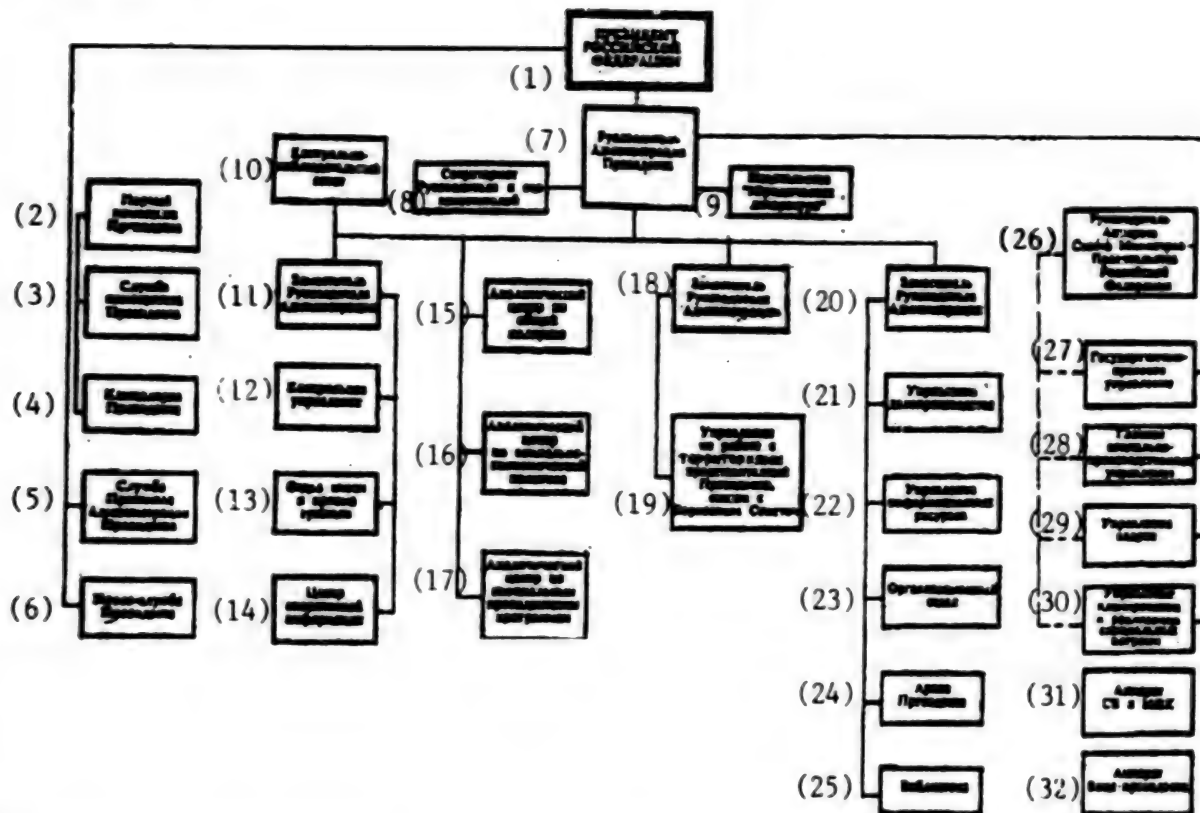
Statute on Presidential Administration

The administration now, in contrast to its earlier status, will represent a key body of government with jurisdiction over virtually all presidential services performing routine operations, including the vice-presidential secretariat, the government staff, the Security Council, the Control Directorate, and the State Legal Directorate. A council of experts and three analytical centers have been established in addition to several administration directorates and divisions. Finally, the director of the administration will now oversee the publication of presidential ukases and directives and manage finances within the confines of official cost estimates. It is true that the president's assistants and his office staff will still be only nominally accountable to the director of the administration, and the security service will also be under the direct jurisdiction of the president.

In this way, the presidency is acquiring a more or less precise structure, because even the most prominent experts on "Kremlin games" could not have come up with any precise replies in the past to questions about, for example, the exact position of the administration head or the Security Council secretary on the hierarchical ladder. Furthermore, as an administration spokesman told the IZVESTIYA correspondent, all of these changes will not add a single ruble to official cost estimates. The diagram illustrates the hierarchical structure of the presidential agencies.

RUSSIA

9



Key:

1. President of Russian Federation
2. President's First Assistant
3. Office of Presidential Assistants
4. Office of the President
5. Protocol Service of Presidential Administration
6. President's Press Service
7. Director of Presidential Administration
8. Secretariat of Director and His Deputies
9. "Yuridicheskaya Literatura" Publishing House
10. Oversight and Review Council
11. Deputy Director of Administration
12. Control Directorate
13. Citizens' Appointments and Correspondence Division
14. Operational Information Center
15. General Policy Analysis Center
16. Socioeconomic Policy Analysis Center
17. Special Presidential Programs Analysis Center
18. Deputy Director of Administration
19. Directorate on Work with Territorial Representatives of President and Liaison with Supreme Soviet
20. Deputy Director of Administration
21. Clerical Directorate
22. Information Resources Directorate
23. Organizational Division
24. Presidential Archives
25. Library
26. Staff Director of Council of Ministers—Government of Russian Federation
27. State Legal Directorate
28. Main Social Production Directorate
29. Personnel Directorate
30. Special Program Planning and Implementation Directorate
31. Security Council and [illegible (MVK?) Staff
32. Vice-President's Staff

Yeltsin Edict on Local Militia

935D0272A Moscow ROSSIYSKAYA GAZETA in Russian
25 Feb 93 p 6

["Edict of the Russian Federation President: On the Militia for Public Security (Local Militia) in the Russian Federation"]

[Text] In accordance with the RSFSR Law "On the Militia" and with the aim of ordering the activity of the Militia for Public Security (Local Militia), I decree:

1. To confirm the Decree on the Militia for Public Security (Local Militia) in the Russian Federation in accordance with Appendix No. 1, and the Listing of Subunits of the Militia for Public Security (Local Militia) maintained through funds of the republic budget of the Russian Federation, republic budgets of republics within the Russian Federation, the kray and oblast budgets of krays and oblasts, oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, according to Appendix No. 2.

2. Organs of executive authority of republics within the Russian Federation, krais, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and organs of local self-government will:

create the necessary conditions for effective functioning of subunits of the Militia for Public Security (Local Militia) with the aim of guaranteeing reliable protection of the rights, freedoms, and lawful interests of citizens, and of providing timely reaction to changes in the crime situation;

prohibit the use for other purposes of appropriations transferred from the republic budget of the Russian Federation to the republic budgets of republics within the Russian Federation, and to the budgets of national-state and administrative-territorial formations of the Russian Federation for maintaining the positions of precinct inspectors of militia, subunits of militia patrol and sentry duty, and state motor vehicle inspectors for registration and examination operations of the State Motor Vehicle Inspectorate;

be guided, in determination of the numerical strength of subunits of the Militia for Public Security (Local Militia), by norms confirmed by the Russian Federation Ministry of Internal Affairs in accordance with the RSFSR Law "On the Militia";

to provide, taking into account local conditions and the need to intensify the struggle against crime, for the allocation of additional financial assets to create new subunits of the Militia for Public Security (Local Militia) or increase the size of already existing militia subunits to a level above authorized-strength norms, and to reinforce its material-technical base, including through the use of financial resources of enterprises, institutions, and organizations, local taxes and charges, voluntary payments and contributions of associations and citizens.

[Signed] President of the Russian Federation B. Yeltsin
txt2
Moscow, the Kremlin txt2
12 February 1993 txt2
No. 209

Appendix No. 1

Decree on the Militia for Public Security (Local Militia) in the Russian Federation

1. General Provisions

The Militia for Public Security (Local Militia)—henceforth termed the Militia for Public Security—is an integral part of the Russian Federation Militia, and is part of the structure of the Russian Federation Ministry of Internal Affairs, Ministries of Internal Affairs of republics within the Russian Federation, internal affairs administrations (main administrations) of krais, oblasts, the autonomous oblast, autonomous okrugs, the cities of

Moscow and St. Petersburg, and Leningrad Oblast, and administrations (departments) of internal affairs for transportation.

In rayons, cities, and rayons of cities, the Militia for Public Security is established and functions as an independent structural element of the corresponding departments (administrations) of internal affairs.

The legal basis and principles of activity of the Militia for Public Security are determined by Russian Federation legislation.

2. Composition of the Militia for Public Security

The Militia for Public Security includes:

operations units (an operations unit of the Militia for Public Security is simultaneously the operations unit of the corresponding city or rayon department/administration of internal affairs and department/administration of internal affairs for transportation);

militia precinct inspectors;

confinement cells for temporary holding of individuals arrested and prisoners under guard;

special receiving centers for holding people under administrative arrest;

subunits:

of militia patrol and sentry duty, including detachments of special missions militia (OMON);

of the State Motor Vehicle Inspectorate;

of facility security by contract;

of guard and security escort for individuals detained and arrested;

for licensing, authorization, and oversight of private detective work and private security activity;

for implementation of administrative legislation;

for preventing violations of the law by minors;

for solving crimes, handling cases for which a preliminary inquiry is not mandatory;

specialized subunits for conducting inquiries;

other subunits necessary for accomplishing tasks entrusted to the Militia for Public Security by Russian Federation legislation presently in effect.

3. Main Tasks of the Militia for Public Security

In accordance with Russian Federation legislation, the main tasks of the Militia for Public Security are:

to ensure the personal security of citizens;

to safeguard public order and ensure public security;

to prevent and effect interdiction of crimes and administrative legal violations;

to solve crimes whose cases do not require preliminary inquiry, and conduct investigations of crimes in the form of inquests;

to render assistance, within the limits of its jurisdiction, to citizens, responsible officials, enterprises, institutions, organizations, and public associations.

Other tasks may be imposed upon the Militia for Public Security only by law.

4. Obligations and Rights of the Militia for Public Security

Imposed upon the Militia for Public Security to their full extent are the obligations stipulated in Article 10 of the RSFSR Law "On the Militia," with the exception of obligations relegated by Russian Federation legislation to the jurisdiction of the criminal militia.

The Militia for Public Security are afforded rights as enumerated in Article 11 of the RSFSR Law "On the Militia," with the exception of rights relegated by Russian Federation legislation to the jurisdiction of the criminal militia.

The obligations and rights of the State Motor Vehicle Inspectorate and nondepartmental security are determined by the appropriate decrees ratified by the Council of Ministers-Government of the Russian Federation.

With the aim of fulfilling the obligations entrusted to it, the Militia for Public Security has the right to use physical force, special means, and firearms in instances and according to procedure as stipulated by Articles 12-15 of the RSFSR Law "On the Militia."

Guarantees of personal security, as envisaged by Article 16 of the RSFSR Law "On the Militia," apply to personnel of the Militia for Public Security to their full extent.

The social and legal protection of personnel of the Militia for Public Security, benefits, guarantees, and compensation afforded to them are as determined by appropriate provisions of the RSFSR Law "On the Militia" and by the Decree on Service in Internal Affairs Organs of the Russian Federation, and may be supplemented by other measures and guarantees established by Russian Federation legislation, by the Council of Ministers-Government of the Russian Federation, by organs of state authority and government of republics within the Russian Federation, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and by organs of local self-government.

5. Establishment, Reorganization, and Elimination of Subunits and Services of the Militia for Public Security

The establishment, reorganization, and elimination of subunits of the Militia for Public Security, including the

subunits of this militia for transportation, which are maintained out of funds of the republic budget of the Russian Federation, are effected by the Russian Federation Ministry of Internal Affairs within the limits of appropriations allocated for these purposes by the Council of Ministers-Government of the Russian Federation.

The numerical strength of the Militia for Public Security, maintained through funds of the republic budget of the Russian Federation, is established by the Council of Ministers-Government of the Russian Federation.

In accordance with the RSFSR Law "On the Militia," Russian Federation Law "On Local Self-Government in the Russian Federation," and Russian Federation Law "On the Kray and Oblast Soviet of People's Deputies and Kray and Oblast Administration," the establishment, reorganization, and elimination of subunits and services of the Militia for Public Security which are maintained out of funds of the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, are effected by the governments of republics within the Russian Federation, and the administrations of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, upon coordination with the Russian Federation Ministry of Internal Affairs.

The numerical strength of the Militia for Public Security, maintained through the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, are established by corresponding decrees of the governments of republics within the Russian Federation and of the administrations of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and must not be beneath the norms established by the Russian Federation Ministry of Internal Affairs.

The Supreme Soviets of republics within the Russian Federation, and Soviets of People's Deputies of krays, oblasts, the autonomous oblast, autonomous okrugs, the cities of Moscow and St. Petersburg, rayons, cities, rayons-in-cities, settlements, rural population centers, and other administrative-territorial units, formed in accordance with the laws of the Russian Federation and republics within the Russian Federation, may establish additional personnel strength authorization for the Militia for Public Security maintained out of their own budget funds. Increases in the personnel strength of the Militia for Public Security are officially drawn up by appropriate decree or resolution of an organ of state authority, as well as by order of the ministry of internal affairs of a republic within the Russian Federation or of an administration (main administration) of internal affairs.

Accountability of the Militia for Public Security to local organs of state authority and government is regulated by the Russian Federation Law "On the Kray and Oblast Soviet of People's Deputies and Kray and Oblast Administration" and Russian Federation Law "On Local Self-Government in the Russian Federation."

Organizational and procedural direction of detachments of special designation militia (OMON) is entrusted to the Russian Federation Ministry of Internal Affairs, and immediate direction—to the ministers of internal affairs of republics within the Russian Federation and directors of administrations (main administrations) of internal affairs of krays, oblasts, the autonomous oblast, autonomous okrugs, the cities of Moscow and St. Petersburg, and Leningrad Oblast.

The Militia for Public Security, except Militia for Public Security for transportation, is also subordinate to the appropriate Soviets of People's Deputies, to the governments of republics within the Russian Federation, organs of state authority and government of krays, oblasts, the autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg, and to organs of local self-government within the limits of their competence.

6. Interaction of the Militia for Public Security With Other Subunits of Internal Affairs Organs and the Organs of State Authority and Government

The Militia for Public Security accomplishes its tasks in interaction with the criminal militia, with other services of the organs of internal affairs of the Russian Federation, and with internal troops of the Russian Federation Ministry of Internal Affairs, as well as with other law enforcement organs.

With the aim of maintaining public order, guaranteeing public security, and preventing and stopping crimes, the Militia for Public Security interacts with organs of representative and executive authority, enterprises, institutions, organizations, labor collectives, public associations, and citizens, informs them and the mass media as to its activity in maintaining public order and guaranteeing public security.

7. Service in the Militia for Public Security

In the conduct of his official duties, a militiaman in the Militia for Public Security is guided by the requirements of the laws and may not be restricted by decisions of political parties, public associations, and mass social movements pursuing political aims.

The procedure and conditions under which militiamen of the Militia for Public Security carry out their state service are regulated by the RSFSR Law "On the Militia" and the Decree on Service in the Internal Affairs Organs of the Russian Federation.

8. Financing and Material-Technical Support of the Militia for Public Security

Financing of the Militia for Public Security and the directive organs of this militia is effected out of funds of the republic budget of the Russian Federation, the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg, as well as out of other funds of local budgets and funds received from enterprises, institutions, and organizations whose facilities are protected by the militia by contract.

The transfer of subunit positions of the Militia for Public Security maintained out of funds of the republic budget of the Russian Federation to other services of the internal affairs organs is not permitted.

The provision to subunits of the Militia for Public Security, maintained out of funds of the republic budget of the Russian Federation, of weapons and clothing allowance in accordance with established norms and authorization tables is accomplished by the organs of material-technical and military supply of the Russian Federation Ministry of Internal Affairs at no charge; of remaining types of allowances—in exchange for payment out of appropriations allocated to these ends.

Subunits of the Militia for Public Security maintained out of republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, the city budgets of the cities of Moscow and St. Petersburg, rayon budgets of rayons, city budgets of cities, rayon budgets of rayons-in-cities, and the budgets of settlements and rural population centers, receive support, for all types of allowances, from the organs of material-technical and military supply of the Russian Federation Ministry of Internal Affairs in exchange for payment.

Appendix No. 2

Listing of Subunits of the Militia for Public Security (Local Militia) Maintained Through Funds of the Republic Budget of the Russian Federation, Republic Budgets of Republics Within the Russian Federation, the Kray and Oblast Budgets of Krays and Oblasts, Oblast Budget of the Autonomous Oblast, Okrug Budgets of Autonomous Okrugs, and the City Budgets of the Cities of Moscow and St. Petersburg

Authorized strength norms are confirmed by the Russian Federation Ministry of Internal Affairs.

Subunits of the Militia for Public Security (Local Militia) Maintained Through Funds of the Republic Budget of the Russian Federation

The Special Missions Militia Detachment (OMON)—is established in a republic, kray, or oblast center, or other

major city with extremely complex operations environment and population above 300,000, as well as in the major transportation centers of the cities of Moscow, St. Petersburg, Rostov-on-Don, Samara, Novosibirsk, Khabarovsk, and Yekaterinburg.

The State Motor Vehicle Inspectorate (GAI), in exercising oversight of compliance with established regulations in the sphere of road traffic safety—1 motor vehicle inspector per 3,000 motor vehicles, but not fewer than 1 in each city and rayon internal affairs organ.

The operations unit—is established:

in the internal affairs department of cities with population of 50,000 or more, or of rural rayon—8 staff positions; in the internal affairs department for transportation—8 to 12 staff positions; in the internal affairs section for transportation—8 staff positions.

Confinement cells for temporary holding of arrested individuals and prisoners under guard—authorized strength is determined by the extent to which these cells are actually occupied per day on the average: for up to 25 persons—8-11 staff positions; for 26-50 persons—13-16; 51-75 persons—17-20; and for 76-100 persons—21-25 staff positions.

The militia security escort service—a line subunit of militia security escort service is established in a republic, kray, or oblast center, or in a large city. Its strength is prescribed depending on the city population: over 1 million—250-300 staff positions; over 500,000—100-150; from 200,000 to 500,000—50-100; fewer than 200,000—25-50 staff positions.

In the cities of Moscow and St. Petersburg, the strength is determined by separate procedure of the Russian Ministry of Internal Affairs.

The authorized strength of a security escort subunit of a city or rayon organ of internal affairs is determined by the extent to which cells are actually occupied per day on the average: for up to 25 persons—6-8 staff positions; for 26-50 persons—12-16; 51-70 persons—16-20 staff positions.

The inquest service—1 inquest examiner per 165 sets of documentation on criminal matters examined per year, including the report on pretrial preparation of materials, or per 50 criminal cases.

Subunits of the Militia for Public Security (Local Militia) which are maintained out of the republic budgets of republics within the Russian Federation, kray and oblast budgets of krays and oblasts, the oblast budget of the autonomous oblast, okrug budgets of autonomous okrugs, and the city budgets of the cities of Moscow and St. Petersburg.

Militia patrol and sentry duty (PPS)—1 PPS militiaman per 1,000-1,500 of city population, 1 PPS militiaman per 120-150 homesteads in rural localities.

Precinct inspectors—1 precinct inspector of militia per 3,000-3,500 of city population; in rural localities, 1 precinct inspector of militia per rural or settlement Soviet of People's Deputies.

The State Motor Vehicle Inspectorate (GAI), exercising oversight of conformance with prescribed regulations in the sphere of road traffic safety—1 state motor vehicle inspector for registration and examination matters per 10,000 individuals being tested for motor vehicle licenses, or per 10,000 vehicles recorded in the motor vehicle register per year.

Road Patrol Service (DPS) of the State Motor Vehicle Inspectorate—1 DPS inspector per 35 kilometers of all-state and republic roadway; 1 DPS inspector per 200 kilometers of oblast and local roadway; in cities, 1 DPS inspector per 265 motor vehicles registered; 1 investigations inspector per 25 drivers per year who leave the scene of a motor vehicle accident; 1 inspector for administrative matters per 5,000 sets of administrative materials per year.

Inspectors for affairs involving minors—1 inspector per 4,000-5,000 minors.

Subunits concerned with implementation of administrative legislation of the Russian Federation—1 administrative inspector per 5,000 sets of administrative materials per year.

Special reception centers for persons subject to administrative arrest—authorized strength established depending on number of spaces: for 25-50—9-12 staff positions; 51-75—11-14; 76-100—16-19; 101-150—23-29; 151-200—29-34; 201-250—34-41; 251-300—42-47 staff positions.

Subunits of the Militia for Public Security (Local Militia) maintained out of funds received for facility security by contract.

Subunits of nondepartmental security under the organs of internal affairs—nondepartmental security departments and sections which have militia, paramilitary, and line subunits directly in their chain of command, are organized when the total number of security employees is more than 50, taking into account the possibility of developing a centralized security system with greater than 120-line capacity on the console and militia subunit with strength of at least 20 personnel.

TRUD on Yeltsin's Civic Union Speech

93AE0204A Moscow TRUD in Russian 2 Mar 93
Evening Edition p 1

[Article by Olga Korabelnikova: "Do the Authorities and Politicians Have Enough Sense? Boris Yeltsin Spoke at a Civic Union Forum"]

[Text] The bloc of political and social forces of the Civic Union held its second congress last Sunday. After

speaking here, the president called his participation in it the beginning of a series of consultations with political parties and movements.

Assessing today's situation in the country as a crisis of authority, the president said: "It is necessary to choose: Either we are returning to the absolute power of the soviets or we are heading for a normal division of powers that is recognized throughout the world."

The president recalled that a compromise was found at the Seventh Congress of People's Deputies—a joint agreement was approved. But this document is being subjected to attacks, first and foremost from parliament. B. Yeltsin believes that the Supreme Soviet has chosen outright repudiation of the division of powers, and "is pretending that nothing is happening—naively." In the president's opinion, parliament has assumed great executive functions. "In fact, along with the constitutional government of Russia, another one is operating—under the aegis of the Supreme Soviet," he declared.

Not considering the situation hopeless, B. Yeltsin defined today's crisis as the "peak of strain before recovery." He called on all political forces to come to an agreement, noting that the main task is not to permit the outbreak of a counterrevolution in the country.

The president sees the future of Russia in an effective and balanced federation. If this is rejected, he said, we will have either dictatorship or anarchy. As a version of pulling out of the crisis, he called for the Supreme Soviet's adoption of a law on authority before the new Constitution goes into effect.

In the economic part of his speech, the president emphasized that he supports the government and trusts its chief—V. Chernomyrdin. He noted that the Supreme Soviet should "take a step back" and give the government an opportunity to work normally. For this purpose, as B. Yeltsin reported, he also transmitted his draft agreement to parliament and proposed to the Civic Union, the Democratic Choice, and other political forces that they take part in the work on it.

With respect to the referendum, the president did not change his position: "When there is not enough sense among the authorities and politicians, the citizens should have their say." He noted that the formulations are already ready, but he is awaiting the official version of the Supreme Soviet...

In announcing their forum, the leaders of the Civic Union said that the political bloc in this assembly will determine decisively their attitude toward the April referendum and the general reference points in the impending election campaign. In a certain measure these reference points can be judged by the speech of the vice president at the forum. A. Rutskoy supported the president's proposal to establish a Soviet of the Federation and to adopt a law on authority on the basis of the Constitution in effect. As for the referendum, the vice

president believes that it is not necessary, inasmuch as it does not serve to strengthen stability in society.

A. Rutskoy set forth the Civic Union's concept for getting out of the crisis, noting that it is a question not of an adjustment of reforms but of a change in policy. He believes that there is a need "to strengthen state regulation of the national economy."

The forum did not adopt any general resolutions, and it did not designate joint paths.

Perhaps, for the better?...

Poltoranin Said To Plan Media Assault on Soviets
934E0207A Moscow *RABOCHAYA TRIBUNA* in Russian
2 Mar 93 pp 1, 2

[Article by Aleksandr Degtyarev: "The Conspiracy Against the Constitutional Authorities Has Entered the Phase of Practical Realization"]

[Text] Instructions have been distributed to the players:

Bring down the soviets in the center and locally!

RABOCHAYA TRIBUNA is in possession of a xerox copy of a document which, according to our information, came from deep inside Poltoranin's "Ministry of Truth." We publish certain "directives" from it.

How Is This To Be Done?

Creating a Writers Union from members of the government

Constant appearances on television and particularly in the popular press by the leadership of the government and its members. It is essential to understand that defense of the government by journalists, observers, and scholars is insufficient—members of the government must create for themselves a literary name and personal influence. Only in this case will the government, as a body of individuals, be stable.

And from the local press, one that is unrestrainedly free

Direct conflicts and charges should be avoided in every possible way in semiofficial publications in criticism of the Supreme Soviet and the soviets as a form of government....

Specific criticism of the soviets and their leadership should come from independent sources. Particular attention should be paid here to the local press. The government should give the local press, which is today far more influential and important for a referendum than the central newspapers or television, the utmost support. The central organs of mass information set the tone, the local organs of mass information should appeal to the central executive for the establishment, finally, of order in the country, and the executive should respond to this appeal from the localities.

Paralyzing the Supreme Soviet:

The government should publicly indicate the composition and content of the bills forwarded via the president and proposed by him. The Supreme Soviet should be inundated with these bills, with which it would not be able to cope. And then by April the question of its competence and capability could be raised directly.

Some advice to the dim-witted V. Chernomyrdin government:

The government should display its concern for the immediate needs of the civilian population, and the administration, essentially, should assume the functions of deputies of the soviets, which they are incapable of performing.

It is necessary to create the firm opinion that the government is engaged not in politics but in state activity, that it preserves the continuity of power, and that it unites the country, and does not divide it, like the soviets.

Continuing to win over the intelligentsia:

It is very important in this connection attracting to our side the top and middle (?) intelligentsia, which has an interest in the country's unity, social stability, and stable government and is always disposed to support the executive.

But if victory is not for the Poltoraninites:

The government and the president will have to seek the convening of a constituent assembly, which is extremely dangerous. It is necessary in the assumption of such a possibility to perform very attentive work with the leadership of the administrations and the heads of the so-called subjects of the Federation, linking them one by one with privileges and furnishing them with hard-working personnel, and it is necessary also to make the local authorities greatly dependent on the mass media...

Openly recruiting deputies:

In the event of the populace refusing to take part in a referendum, the executive would have to assume the fullness of responsibility for implementation of the reform and its consequences.

Anticipating such a possibility, it is necessary to pay particular attention to work in the corps of deputies, forming progovernment factions, and attracting a sizable body of the corps of deputies by real opportunities for participation in government and extrication of the country from the crisis.

The remarkable document was distributed at a meeting of leaders of press offices of the heads of administration of Siberia and the Far East which was conducted in Omsk by M. Poltoranin! Although modestly titled—"Information Measures in Connection With the Referendum and the Eighth Congress of People's Deputies of the Russian Federation"—it represents a program document which sets tasks not only for the central and local

mass media but also for the government and the president himself.... The main purpose and burden of the document is struggle against the soviets of all levels and their consistent discreditation and subsequent ouster.

Various methods are proposed. Such as, for example: inundating the Supreme Soviet with draft laws in such a quantity that it choke. And "dismissing" it as being unable to cope.

An extremely interesting role is assigned the local press. Read and ponder: "The local organs of mass information," the author instructs, "should appeal to the central executive for the establishment, finally, of order in the country, and the executive should respond to this appeal from the localities." What the author means by "establishment of order" follows clearly from the documents—it is aimed, as has been said, against the soviets. The author sees their position as unambiguously destructive: "The actions of the leadership of the Supreme Soviet and the corps of deputies of all levels in the next three months will be geared to the retention of personal power, the destabilization of society, and the disintegration of the state." For this reason the appeal for the "establishment of order" is translated into Russian as "break up the soviets." In addition, unable to wait for this cherished moment, it is proposed that the executive start to substitute for the soviets without more ado. "The government should display its concern for the immediate needs of the civilian population, and the administration should, essentially, assume the functions of deputies of the soviets."

There is in this formulation of the question a subject not only for journalistic inquiry. In a democratic society such a system of goals would be classed as a call for the overthrow of the existing social system.

This entire immense work must, the authors intend, be carefully concealed. "It is necessary to create the firm opinion that the government is engaged not in politics but state activity...." Engaging, having set all else aside, "in the creation of a firm opinion"—this is the overriding task of the moment scheduled in the document by month. "At the start of the campaign," the authors of the instructions teach, "up to the end of January approximately it is necessary to publicly formulate the government's main arguments.... February and March should be devoted to the comprehensive presentation on television and in the popular press of the main ideas of the executive." A Poltoranin university of the millions!

A total misunderstanding of the current situation in the country is encountered in virtually every paragraph of this document. Flirting with the electorate, for example, it proposes the "definition of Russian society as postindustrial, competent, law-based, open, and dynamic, with an explanation of these notions." But if we are in fact a postindustrial, law-based, open, and, in addition, competent country, why do we need some reforms and,

together with them, the services of a government of apologies for reformers also?

True, Russian society could only be considered such, as one old story goes, by a visitor to Russia from outer space. How can there be any question of "postindustrialness" in a period of economic collapse? How can we speak of a "law-based" state while simultaneously maintaining that there is a constitutional crisis in the republic? And as for what a "competent" society is, no one will explain to us, there being no such thing.

The cynicism forcing its way through in the document, in spite of the author's wishes, is amazing also. "It is necessary to perform very attentive work with the leadership of the administration and the heads of the so-called subjects of the Federation, linking them one by one with privileges and furnishing them with hard-working personnel...." This procedure is borrowed directly by the worthy students from the political arsenal of the "father of the peoples." And why wonder, for that matter—the similarity in the actions of the president's closest advisers with infamous historical models is already an everyday topic of our current-affairs writing.

Nor can I fail to dwell on clause 2 of this document. It sorrowfully affirms, first, that the "defense of the government by journalists, observers, and scholars is insufficient." And for this reason "members of the government should create for themselves a literary name and 'personal influence.'" Well, simply astonishing. Work has finally been found for our ministers also—creating a literary name for themselves! We await the works. I believe that the public, devoured by hyperinflation, would greet with interest the romantic poem "Your Turn, Mr. Voucher" by A. Chubays, "My Universities" by Ye. Gaydar (not to be confused with A. Gaydar's "School") and V. Shumeyko's brochure "How We Should Organize a Referendum." As far as M. Poltoranin himself is concerned, he acquired for himself a literary name long since, for which he was awarded the honorific of "Kunayev's nightingale." And he has of late acquired for himself a television name also, tormenting with rare confused articulation not only Russia but the CIS as a whole also.

On what social force, one wonders, does the author of this political program formulating so freely the tasks for the highest echelons of power rely? On none, it seems. He himself indirectly admits this: "The outcome of the referendum will be unsuccessful unless the government creates for itself a strong opposition in the form of forces of right and left united with centrists supporting the Union." This seems to the author a realistic prospect because he speaks about this also. Besides, such a situation already exists! It was confirmed as clearly as could be by the Civic Union forum held last Sunday, and the president of Russia, who was in attendance, saw this full well for himself, I hope.

But then a legitimate question arises. If neither the left nor the right nor the center support the government, on what grounds will this "body of individuals" govern us?

Yes, the circle of these "reformers" is exceedingly small.

They are fearfully far from the people.

But their cause is not done for as yet. Thus far it is the Russian people, whose numbers in 1992 declined, despite the streams of refugees from our immediate surroundings, who are done for.

Press Minister on FIC, Subsidies

934F0195A Moscow GOLOS in Russian No 6, 8 Feb 93 p 5

[Interview with Mikhail Fedotov, minister of the press and mass information, by GOLOS commentator Yuriy Kurbatov; place and date not given: "The Ministry of the Press and Mass Information Is Ready To Develop a Survival Program for the Press, but Is Waiting for Reciprocal Steps From Editorial Staffs"]

[Text] *The appointment of Law Professor Mikhail Fedotov to the post of the minister of the press and mass information did not impress anyone in the writers and film community as strange. He replaced his former boss Mikhail Poltoranin, moved by the president to the Federal Information Center, seemingly naturally and effortlessly. Our commentator Yuriy Kurbatov met with Mikhail Fedotov and asked him to answer questions of interest to our readers.*

[Kurbatov] I think you will agree, Mikhail Aleksandrovich, that difficult times have arrived for the mass media—which means also for you. What I am referring to is not only the market, whose charms the journalists were among the first to experience first hand; there is also something else. The press, as well as radio and television, have found themselves drawn into an intense political battle... Is it difficult to be minister of the press today?

[Fedotov] I would divide this question into two parts. With respect to politics, it is quite obvious that the press cannot be neutral. It must, however, be objective and honest and guided first and foremost by common sense rather than momentary political interests. All of us must feel, first and foremost, personal responsibility for the fate of Russia.

The second part of the question I would call economic. Here we have problems up to our ears. Our ministry's jurisdiction now includes not only the mass media but also publishing and printing houses. In short, we have our own industry. In this respect, the most acute current issues are conversion to joint-stock operations and privatization. We are currently working on a sectoral privatization program. The problems associated with material and technical supply of publishing houses remain acute. Of course, it is difficult. But who has it easy these days?

[Kurbatov] A month has passed since the creation of the FIC [Federal Information Center]. Despite Mikhail Poltoranin's numerous explanations, however, it is not clear who will be in charge of what.

[Fedotov] I think we should not overly complicate the situation. Poltoranin's FIC is a center for coordination and analysis; its main task is creation and analysis of information. We, on the other hand, are a state administration organ. Our primary task is to see that everyone without exception—including the FIC—complies with the law on the mass media. In this respect we will be extremely tough.

Right now we see that the law on the mass media is frequently shirked. There are some who have an urge to make "corrections" to it. If the Supreme Soviet attempts to do so, however, it may cause serious social tension. We cannot permit this document—in which, in my opinion, a balance, albeit fragile, has been achieved—to become again a subject of lawmaking activities.

[Kurbatov] Nevertheless, such is the inclination of the Supreme Soviet. In particular, in my opinion, this was the main reason the subject of the FIC was brought up at the current session of the parliament. It has already been included on the agenda twice, but they did not get around to it. Where do you think all this will end?

[Fedotov] It is rather difficult to predict our parliament's decisions. Unfortunately, quite often the decisive factor there is emotion rather than common sense. I personally do not see any legal objections to the creation of the FIC. I want to repeat once again: It is an organization for coordination and analysis, not a state organ. Therefore, its creation was not contrary to the law on the mass media. If signs of violation of the law develop, or attempts to subjugate the mass media, the ministry will have to take appropriate steps.

[Kurbatov] Mikhail Aleksandrovich, the parliament's speaker recently mentioned, somewhat in passing, that allegedly a closer look is needed as to which publications deserve financial support in the future. Keeping in mind the great "love" Ruslan Imranovich has, first and foremost, for the independent press, this remark has caused serious consternation on many editorial boards. It is clear now that without state assistance most publications will not survive.

[Fedotov] I can tell with all certainty that the state will continue subsidies this year. The ministry, together with the Mass Media Committee and the Budget, Plans, Taxes, and Prices Commission of the Supreme Soviet, is currently working on changes to the system of subsidies. In the first half of the year it will remain the same as last year. Although with some changes aimed at eliminating all kinds of favoritism.

[Kurbatov] What will serve as the criterion?

[Fedotov] There will be a whole system of criteria, including circulation and subscriptions. According to

these criteria we will divide all publications into several categories. Size of subsidy will be determined according to category.

[Kurbatov] Will this document have to be approved by the Supreme Soviet?

[Fedotov] I think we will not be submitting it to the Supreme Soviet, limiting ourselves to discussions in committees and commissions. After all, this is a provisional statute, designed for half a year.

For the future, if we manage to accomplish it, we have a very interesting idea: We want to develop a system of subsidies based on completely different principles. In practice it will look this way: The ministry offers a publication money—not in general but against a certain program for survival. We develop it together. If you agree with it, you get the subsidy. But in three months kindly report what the money has been spent on.

Do not confuse this with credit. This is nonrepayable money, but we must know where it goes. When I explained this system to the deputies, they remarked that it closely resembles the IMF terms. To which I replied that apparently the IMF people are not stupid.

[Kurbatov] How soon will we see this program?

[Fedotov] We are about to complete it. It will be much more difficult to work out a survival program with each individual publication. Frankly, at this point I do not even have the staff to do this. But first and foremost we need the Supreme Soviet to approve the 1993 budget.

[Kurbatov] What motives will be taken into account in allocating the means?

[Fedotov] Anything but political. Unfortunately, we currently encounter situations in which people try to cheat us. They come to us begging, for instance, and then we learn that there have been terrible abuses, millions have been wasted or pocketed. We have no intention of subsidizing the mafia. Or another example: Some publications are sponsored or maintained by various foreign companies or our domestic millionaires. They are free to continue doing this, but without our help.

We have other programs as well. In particular, one is related to the recently adopted Law on Copyright and Associated Rights. But this is a special topic.

[Kurbatov] I can see, Mikhail Aleksandrovich, that there are quite a few ideas...

[Fedotov] I understand the hidden meaning of your remark. I want to emphasize that, figuratively speaking, we are still at the beginning of the beginning. We would like to ensure that journalists feel at home in the ministry. That they would come here and get all the information of interest to them. Right now, for instance, we are setting up an information support administration, which will be headed by an experienced journalist from APN.

[Kurbatov] So what will it be: an APN, a TASS, or something else?

[Fedotov] None of the above. It will be a system of providing information to journalists, primarily about the work of state organs. For instance, who is in charge of what, and how to find them. I think it will come in the form of bulletins printed on a laser printer. Then it is up to you whether you use these materials or not.

And lastly. We consider GOLOS our newspaper. Not by affiliation or subordination but by purely professional principle, in spirit and in content. Therefore, the ministry stands ready to work out an entire program of mutual cooperation with GOLOS. We can probably even put in on a contract basis.

Agency To Attack Tax Dodgers

934F0147A St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 9 Feb 93 p 2

[St. Petersburg and Leningrad Oblast Tax Investigation Administration Chiefs G.S. Poltavchenko and A.A. Nefedov interviewed by Yu. Murashko: "New Special Service Issues Warning: It's No Use Trying To Evade Taxes"]

[Text] Tax investigation administrations were set up under the St. Petersburg and oblast State Taxation Inspectorates in late October. These structures, which are new for not only the region but also the country, are called upon to cooperate with law-enforcement agencies in combating unscrupulous businessmen, to identify tax evaders, to protect tax inspectorate employees against criminal encroachments in the course of performing their official duties, and to guard the tax inspectorate against infiltration by organized criminal groups.

Now that the new structures' mechanism of operation has been more or less worked out, G. S. Poltavchenko, chief of the tax investigation administration of the St. Petersburg State Taxation Inspectorate, and A.A. Nefedov, chief of the tax investigation administration of the Leningrad Oblast State Taxation Inspectorate, told our correspondent Yu. Murashko about the problems that their services have encountered and about the initial results of their work.

But first a few words about the new administration chiefs themselves.

Georgiy Sergeyevich Poltavchenko has served as an officer in state security agencies. He began working there in 1979. He served in a unit charged with combating air piracy and held a number of other posts. From 1988 to 1992 he served as chief of the Vyborg City Department of the Russian Ministry of Security Administration. In 1990 he became a deputy to the Leningrad Oblast Soviet.

Aleksandr Aleksandrovich Nefedov has devoted much of his life to the Ministry of Internal Affairs. Since 1969, he has served as a criminal investigation inspector, chief

of the Kalinin Rayon Internal Affairs Administration, and in other capacities. For the past two years he was deputy chief for rear services of the Chief Administration of Internal Affairs of St. Petersburg and the oblast. In 1990 he was elected a deputy to the St. Petersburg City Soviet.

[Murashko] What prompted you to change jobs?

[Poltavchenko] The post of tax investigation administration chief was offered to me rather unexpectedly. Working to set up a new special service is interesting for any professional. I consider myself a professional, and so I immediately accepted. Maybe I've been lucky in life, but both in the security agencies and here, there hasn't been a day when I haven't wanted to go to work. I consider this the most important thing.

[Nefedov] I fully agree with Georgiy Sergeyevich.

[Murashko] Is the work of the tax investigation administration similar to that of the police and security agencies?

[Poltavchenko] The types and methods of work in all special services are similar. This follows from their common tasks: using specialized methods, including secret sources and special equipment, to obtain information about illegal activities by citizens or various structures, and then to put that information to use—i.e., to stop the lawbreaking.

[Nefedov] Proceeding from this, the tax investigation administrations are staffed with professionals—officers of the Russian Ministry of Security, the Ministry of Internal Affairs and military personnel. You could say that we began operating from scratch. Specialists believe that Russia was already five or six years late in creating such a service and that the payment of enormous sums of money in taxes has been evaded. Familiar with the work methods of special services, we began producing a real return from virtually our very first day, recovering money that belongs to the state.

[Poltavchenko] We should emphasize once more—money that belongs to the state. These are funds that businessmen owe the state in exchange for the state's having made it possible to **earn** this money. Profits belong to an enterprise, but it is obliged to pay taxes on those profits. I don't want to intimidate anybody, but there's no use trying to evade taxes now.

Incidentally, Article 162.2 of the Russian Criminal Code provides for punishment of tax law violators—up to and including imprisonment.

[Nefedov] Our services are unique in that they are the only ones in the country charged with a single task—to obtain as much money for the budget as possible. Then this money can be used for public health, education, and so on. In other words, for the good of all taxpayers.

[Murashko] What are the initial results of the tax investigation administrations' work? How much money concealed from taxation has been contributed to the budget with the help of the administrations' officers?

[Poltavchenko] Last year, in the course of joint inspections at enterprises, officers of the St. Petersburg Tax Investigation Administration and tax inspectors obtained more than 19 million rubles in additional budget revenues. Efforts to recover for the state nearly 20 million rubles in unpaid taxes are nearing completion.

In particular, we have audited the operations of several dozen various commercial enterprises that operate stores. The most widespread legal offense here is keeping unreported goods—from beer to automotive spare parts. We are finding whole piles of goods worth an average of 1 million to 1.5 million rubles.

I would like to mention "hard currency projects" in particular. Recently, in conjunction with the taxation inspectorate, we imposed fines of \$2.5 million on several joint ventures. I don't want to identify them as yet, since the work isn't finished. Nor would I like to talk about some more sophisticated methods of concealing income. You yourself understand: Some other businessman could read about them in the newspaper and use them too. Most businessmen are a shrewd lot when it comes to such things.

[Nefedov] Our successes are somewhat more modest than those of our colleagues, mainly on account of the fact that we are terribly understaffed. I understand the staffing problems of the Ministry of Security administration and the Chief Administration of Internal Affairs, but we need people too. Unless we complete the formation process as soon as possible, there won't be any return. Racketeers have already been performing state functions for several years, "expropriating surplus income" from businessmen. Swindlers have been doing everything in their power to conceal income for several years. And they have often succeeded. The tax investigation administration called upon to change this state of affairs in Leningrad Oblast is currently staffed at a rate of just seven percent.

But we trying to go to work even while understaffed. For example, audits of enterprises in Tikhvinskiy Rayon resulted in the recovery of 14.644 million rubles, and in Podporozhskiy Rayon—16.933 million rubles.

[Poltavchenko] We too suffer from understaffing, but our situation is still a little better than that of our oblast colleagues. Owing to our personnel shortage, state enterprises and large commercial firms still remain "aloof" from our work, for the time being. But I don't think we're going to find a lot of legal offenses at state enterprises—you yourself know that they don't even have enough money to pay wages. Where commercial banks and other such structures are concerned, we simply have to believe, for the time being, that these respectable firms are not defrauding the state. Concealed money will be found all

the same, and then the loss of their good name will cost these firms far more than the money "saved" on taxes.

[Murashko] What about street vending, which is totally unsupervised. Does it too remain "out of the picture" for the present?

[Poltavchenko] Unannounced raids on all manner of kiosks and people who used to be called street speculators have been carried out, are being carried out, and will be carried out. We mount the raids in conjunction with tax inspectors, internal affairs officers, and representatives of rayon administrations. If the mountain won't come to Mohammed, Mohammed must go to the mountain: Relevant documents allow us to collect vending fees and taxes right on the spot. I am an optimist by nature, but I still can't believe that even after several raids, these venders are going to come looking for the tax inspector on their own. For this reason, areas where vending stalls are concentrated have become an object of heightened attention for us.

[Nefedov] I admit that we haven't been doing this kind of work as yet. In a certain sense, this results from the specific nature of street vending in the oblast. It is especially developed along the Priozersk, Murmansk, and Tallinn highways and along the roads leading to Vyborg. Wheeler-dealers and sellers of alcoholic beverages are guarded by young toughs with big muscles, who are often armed, according to our information. A tax inspector can't go to such places without risking his life.

But these venders will have to obey the law very soon. The formation of a special unit to physically protect tax inspectors on the road is being completed. Then no young toughs are going to be able to help these wheeler-dealers.

[Murashko] Just how life threatening is the work of tax inspectors and officials of the tax investigation inspectorate? I assume that the potential spread of corruption to the tax service is a related question. How urgent is this problem?

[Nefedov] Threats against inspectors are rather frequent. Criminal charges were recently filed in Slatsevskiy Rayon in connection with such an incident. As the suspect was being arrested, he used a gas pistol.

An investigation is under way in Lomonosovskiy Rayon, where someone threatened to burn a tax inspector's car.

In order to investigate, in conjunction with the police and the security ministry administration, threats or attacks on inspectors, we are setting up our own security service. In addition, it does work with our own personnel. For example, it checks out the pasts of people applying for work in the tax inspectorate. No one with a "criminal" blemish in his background will be hired.

[Poltavchenko] Tax inspectors have been attacked in St. Petersburg. But I can't say as yet that the attacks had to do with their official duties. But threats, as Aleksandr Aleksandrovich noted, are very frequent. Officials of the tax investigation administration have also received

them. We investigate every one in conjunction with the police and the security ministry administration.

If there are doubts as to the safety of a tax inspector when he goes out to some location, several of our officers escort him.

As for corruption, I have to say, unfortunately, that no one is insured against this until the state can provide for its employees in such a way that they would never even think of such a thing.

[Murashko] What is the main difference between your agencies and the work of the tax inspectorate? Protecting inspectors is undoubtedly useful, but doesn't the tax investigation administration duplicate the work of the tax service?

[Poltavchenko] The taxation inspectorate has two main responsibilities—conducting systematic and selective audits of enterprises. As people say in the agencies, if you find something, you're lucky, if you don't, that's bad. Of course, if a tax inspector sees that there are no violations and that an office is operating honestly, that's wonderful.

The tax investigation administration lays the groundwork for these audits. We go only to places where we have information that the law is being violated. And there has never been an instance in which we have gone somewhere unnecessarily.

The Russian law "On Operational Investigative Activities," to which our organization, unlike the taxation inspectorate, is subject, sets forth the sources from which we may obtain information—official and secret contacts, and allows us to pay for information of interest to us and to use special equipment. Work with people who voluntarily help us obtain information and the use of special equipment are already yielding results.

At present, in conjunction with our oblast colleagues, we are studying information obtained about alarming bankruptcies and subsequent reregistrations of a number of enterprises that have solicited funds from citizens, supposedly to be repaid with interest, and vouchers and then failed to repay these funds.

[Murashko] Many St. Petersburg residents have asked the newspaper just how legal the operations of such enterprises are and how great is the risk of losing one's money and vouchers as a result. As specialists, I'd like to put this question to you.

[Poltavchenko] As a rule, the charters of these organizations do not explicitly say that they pay interest on the money and vouchers they take. Consequently, they don't pay taxes on this type of activity and defraud the state. And if they are defrauding the state, they are defrauding their clients too. Every person who has decided to shelter his money from inflation by means of such enterprises or to invest his voucher in them should prepare himself for the possibility of losing both his money and voucher. I should point out that such organizations are often run by

unscrupulous people, as a rule. And so I personally am keeping my voucher in my pocket for the time being.

[Murashko] Have there been instances in which, as a result of various ploys by businessmen, your work has come to naught? In other words, have there been enterprises that, in order to avoid paying taxes and fines, have withdrawn funds from their accounts and closed down, in order to later reemerge under a new name?

[Nefedov] All the inspections in which we and, as Georgy Sergeyevich observed, the city tax investigation administration have been involved have yielded results. Businessmen have never been able to evade us or to appeal a single ruling we have made.

Moreover, the Russian law "On Bankruptcy" will take effect in March. It provides for selling off the property of an enterprise that is unable to repay its debts. And money can't be hidden without a trace, you simply have to look for it very hard.

We are also awaiting the adoption of the law "On the Tax Police," which will substantially strengthen our legal foundation. In the meantime we have been operating on the basis of the temporary statute "On Tax Investigation Divisions."

[Murashko] In view of what you have said, when will the tax investigation administrations be able to counter any violation of tax legislation by any type of enterprise?

[Poltavchenko] By summer, I think. Especially considering that not only the taxation inspectorate, but also government bodies have a stake in our services. The St. Petersburg Municipal Administration has allotted us the building at 2 Sovetskaya, and I understand that the oblast administration has also promptly resolved the question of providing office space to our colleagues. Our requests for purchases of special equipment and motor vehicles are not being denied.

So I would like to warn businessmen once more: It's no use trying to evade paying taxes. In the end it will cost you more.

Law on Amendments to Criminal Code

935D0280B Moscow ROSSIYSKAYA GAZETA in Russian
4 Mar 93 p 6

["Law of the Russian Federation 'On Amendments and Additions to the Russian Soviet Federated Socialist Republic Criminal Code'"]

[Text]

Article 1. To make the following changes and additions to the Criminal Code of the RSFSR (VEDOMOSTI VERKHOVNOGO SOVETA RSFSR, 1960, No. 40, item 591; 1977, No. 12, item 255; and 1987, No. 30, item 1087):

1. Delete the note from Article 126¹.

2. To make Article 188 read as follows:

"Article 188. Escape From Place of Detention, Initial Detention, or Custody.

"Escape from places of detention, except for colony-settlements, or from custody by a person serving a sentence or held in initial detention—shall be punishable by deprivation of freedom for a period of up to five years.

"If committed:

"a) a second time;

"b) in accordance with a conspiracy hatched in advance by a group of persons;

"c) with the possession or use of firearms;

"d) with the use of violence or by a method that creates a threat to the life or health of other persons;

"e) involving damage to engineering or technical facilities of the security service or by means of tunneling;

"shall be punishable by deprivation of freedom for a period of five to eight years."

3. In Article 188¹:

In the first paragraph after the words "from places of detention" the words "and likewise a prisoner serving a sentence in a colony-settlement" shall be changed:

in paragraph two, the words "one year" shall be replaced with the words "two years."

Article 2. To bring this law into force from the date of its publication.

[Signed] B. Yeltsin, president of the Russian Federation
Moscow
House of Soviets of Russia
18 February 1993
No. 4512-1

Gleb Yakunin on Church, KGB Collaboration

934F0198A St Petersburg NEVSKOYE VREMYA
in Russian 23 Jan 93 p 1

[Report on a telephone interview with Father Gleb Yakunin, Russian people's deputy, in Moscow by Adel Kalinichenko, under the "At First Hand" rubric; date not given: "The 'Sacred Duty' of a Soviet Priest"]

[Text] [Kalinichenko] Father Gleb, I remember that an attempt was made in November of 1992 to start legal proceedings religion department against you and people's deputy Ponomarev for the disclosure of the identities of KGB agents among the top officials in the Russian Orthodox Church. What was the outcome of this incident?

[Yakunin] Stepankov, on behalf of the Russian Procuracy, refused the Ministry of Security in starting the

criminal suit. It is quite obvious that all of the actions of the KGB Fifth Inspectorate, and of its fourth department (religion), were anticonstitutional, and they were already banned under Bakatin. But this hydra could start to come back to life again. Our law stipulates that any recruitment of priests, together with people's deputies, judges, lawyers, and procurators, is prohibited, and this goes for security organs also; but I am not at all convinced that the law will be observed. When the enforcement structures are not under any control, they can be greatly tempted to use the clergy for their purposes.

[Kalinichenko] Still, how has it become possible to reject the suit against you from the security ministry?

[Yakunin] A security ministry official said at one of their briefings that we had been looking for materials compromising us in the archives in order to destroy them. We filed a countersuit in the Kalininskiy court. The names of agents made public by us are an internal agency secret and not a government secret. If KGB agents still continue to head our churches, it discredits the Church. I do not mean Russian Orthodoxy only. I also mean the Moslem, Buddhist, Judaic, and other denominations.

The process of opening the security service archives is going full speed ahead now in the Baltics, in Poland, in Bulgaria, and in other countries. After the involvement of priests with this agency is established, the priests will have to leave. But in our country, the top Church administration officials do not even express their attitude toward this event. On the contrary, those who uncover the alliance between the KGB and the Church are the people who get denounced.

ECONOMIC AND SOCIAL AFFAIRS

Chernomyrdin Details Economic Priorities

934E0224A Moscow RABOCHAYA TRIBUNA in Russian
5 Mar 93 pp 3, 4

[Taped account of V. Chernomyrdin comments during meeting with trade union leaders prepared by Viktor Ukolov: "Russia Has One Chance—For Everyone To Work"]

[Text] The meeting between Viktor Chernomyrdin, head of the Government of the Russian Federation, and the leaders of trade unions that are members of the Federation of Independent Trade Unions of Russia, which RABOCHAYA TRIBUNA has reported, has evoked comment in society and in the press. We are receiving requests from trade union committees to describe this event in more detail. Particularly the positions occupied by the renewed Cabinet of Ministers.

Yes, the chairman of the Council of Ministers came to the union headquarters together with leading ministers, and a comprehensive, specific discussion was held. It was the first time of late, probably, that the voice of representatives of the working people had been heard and apprehended.

Viktor Stepanovich shared with the union leaders his thoughts on how the government intended extricating the national economy from the profound crisis.

So, What Was Discussed?

Concerning, specifically, exports of the times of Peter I. When I got here, I thought, well, now, we will get into a fight to the death here. Chernomyrdin will start to show that this needs to be done, the trade unions, that it should not. And now I have seen for myself that we are disturbed by identical problems. First and foremost, the decline in production.

It did not begin yesterday. We clearly began to "go lame" as of the mid-1980's, more precisely, around 1989, when we began to blaze with perestroika and then realized: we do not know what to restructure, how to restructure, or on the strength of what to restructure. And it was here that the pulling began—do you remember—beginning with the cooperative movement and the creation of leased enterprises, the correlation of the rate of growth of productivity and the growth of wages was regulated. The Law on Enterprises added even more fuss: executives came to be replaced in a burst—one after another. I was there through all these alterations and I worried and trembled.

And then in 1992, I want to emphasize, the economic reform finally began in earnest. This was a fundamental decision of the president's inasmuch as there was no other move open to us.

Many people will remember that the Soviet economy had always somehow moved in spurts, going back to prewar times. And after the war—"The economy must be economical!" And every year something or other was thought up, but we were unable to provide a base for stable growth.

When these spurts ended, we would all quietly begin to slide back and stop at the edge. Finished goods became wholly uncompetitive. We descended in foreign economic activity, if we look closely, to the level of the times of Peter I. Of the commodities for sale—timber, hemp—what were we still selling? Honey. We have now added oil and gas. Peter did not, after all, know how to extract them or what to make from them.

Russians' troubles and our poverty are not because we are unskilled but because the system was such—it prevented us reaching a higher level. Everyone take a look at his suit: Where was it made? With you, in Ryazan or Omsk, most likely? We have converted top-grade cotton into I don't know what. And so with any product, other than that of the defense industry.

That is were the system was perfected! The major mistake of all Soviet governments since Stalin's times was that we isolated the defense sectors and fenced them off by a high wall from the people, from the requirements of civilian products. Even at meetings of the Council of Ministers Presidium civilians would sit on one side,

they—the defense people—on the other. And I never once heard a defense industry minister approach the podium and complain: The State Committee for Material and Technical Supply is not providing us with this or that or that someone was not resolving something or other.

Today, on the other hand, they are in the most difficult situation for they have proven to be unadapted to "normal," by Soviet standards, life. And this sector has been dealt a major blow also.

I am saying all this to indicate that economic reforms and the transfer of the national economy to market conditions have become an objective necessity. We might have started sooner. We were unable, did not know how. As a result we made a mess of the Union and obtained the Russia that we have now.

So where are we today? The level of production has fallen 20-26 percent, society's living standard has declined 30 percent. That is, we have reached figures which are unprecedented in Russia.

A reservation should be made, however. When we record the decline in production, these figures are at the expense of the defense sectors, in the main. The civilian sectors are reducing the manufacture of finished goods 5-7-8-12 percent, and some have almost held their ground. In the fuel complex, the oilmen and coal miners, for example.

Yes, society's living standard has fallen steeply, unfortunately. We are already at the critical mark. The task today is to stick to the policy of reforms under all circumstances, not to do so would be lethal, but nor can we continue to sink into the mire. What is to be done?

Captains of a Short Voyage

First and foremost, probably, take account of the mistakes. We have restructured the economy only at the macro-level and have gotten away from the micro-level. We failed to find a prudent combination of "macro" and "micro." We relaxed control of the state sector, but with us it means 100 percent of industry. Any state has to have control. We will never put anything together without knowing how to control.

I was recently at a roundtable with the speaker of the house of Romania. The question "Europe 2000" was being discussed. He was saying that everyone had abandoned Romania, that no one would help. The Eastern bloc had broken down, West Europe had turned its back.... He was asked: What have you yourselves done? He said that last year (1991) all agriculture and all the land had been made private. And in terms of the results of 1992 they have found themselves in the 19th century. He was asked: Why? He explained: Everyone here acquired 2 hectares of land, and no one, having acquired these 2 hectares, knew what to do with them: There are no tractors (they have the K-700, the same as us), no fertilizer, no knowledge.

I think to myself: Where would we be if we had done likewise? In the 18th century, most likely. Because we also have the K-700, the Don, in addition. Nothing can be done with a spade and rakes.

I was at a farmers' congress recently and I listened. I understand their pain and the endeavor to create a class of farmers and transfer the land to them. Yes, it needs to be given over in places, perhaps, but we first need to create the conditions. So that our industry might first provide a mini-tractor, simply a tractor, and fertilizer, in packaging, what is more—not in tonnes but kilos.

And we had no sooner created 200,000 private farms before 70,000 fell apart. They fell apart, okay, but how much land was taken out of circulation, how much was not plowed up last year for the harvest—how are we to disentangle this mess? We did not take account nor are we now taking account of the singularities of our country, the particular features of the regions, and the location of the production forces in the country. Industry took shape not for man or the region but for the accomplishment of some strategic tasks of the Soviet Union. An ore base was created in Kazakhstan, but the treatment is done in the Urals. Metal, in the Urals, but pipes, in Ukraine, and consumption of the pipes, in Russia. Everything was tied together. Now this has been chopped off, and this....

Concerning the Fact That the Power of the Land Is Deadly

Account needs to be taken of the character of the man of Russia also. I may remind you: people in Rus (our parents even encompassed those times) killed over the boundary strip, for a meter of land. I am from the country, I know what things were like. If at night the fence was shifted a meter further to one side, the next day there would be three corpses.

The German does not do this. He unfailingly writes someone or other, it is unfailingly investigated, and people come and put things right. Our person is simpler, he sorts it out himself. Has anyone in the authorities given any thought to this?

And why has the ruble depreciated? Last year in the final quarter 6 trillion rubles [R] were thrown onto the market. And in January we were paying approximately R600 to the dollar. We began to analyze. According to our records, somewhere around R1.007 trillion, R2 trillion even, passed via the government. Where is the rest?

Should this experience be repeated? Everything would then go head over heels. Life has taught us a lesson: The state must know whom to support and must determine priorities.

Concerning the Authorities' Priority Tasks

We have determined the main directions, the priorities. There are just five.

First and foremost, the fuel and energy complex.

Second, food. The most fundamental and painful issue. We supported the countryside last year also, by tradition. But ultimately the state did not, despite the big harvest, acquire the grain. We were not given it.

Subsidies have been received, subventions and a partial reduction in the cost of fuel and fertilizer (in respect to particular regions), but we are still not being given the grain. What kind of work is this? Where is the feedback here? The grain is lying there—this is the same deal as vodka.

But what is the state to do? Of the 82 regions with us, approximately 20, at best, can provide themselves with grain, and with great strain, at that. And what are the rest to do—put their teeth on the shelf? In the final years of the Soviet Union Russia failed to feed itself for three months. We lived on food which was purchased for oil and gas and precious metals. Today there is nothing to sell—there is not that much in the way of oil and gas and precious metals. What, then, three months without eating? This is the real picture.

Nonetheless, we will subsidize agriculture, only in a new way. This applies to everyone. We will give, but you set something aside simultaneously, up to and including the mortgaging of your entire assets. There is no other solution.

Everyone must address the subject of food today. I was recently in Tomsk. I saw a large hog-raising complex. But it surrenders the entire meat in live weight. The live weight disappeared, and the meat-packing plant started jacking things up (it has now been privatized), and the money was put up by the owner. What has it done with its product. How is it being sold? There is no meat in the store. It has been distributing it to the restaurants. The monopoly plant has begun to dictate its will to everyone. If you are unwilling to sell the livestock on the cheap, the vehicle is kept standing idle for days—the weight has fallen 15 percent all at once.

I say this to show that unless we create a processing industry for the rural people—for the rayon, state farm, and private farmer—we will get nowhere. Nor would we need as many cows as we have currently if we processed the animal husbandry products in civilized fashion.

Take potatoes. On average the Soviet Union consumed 35 million tonnes of potatoes a year, the Americans, only 23 million. In processed form, understandably. We did not, of course, eat that many potatoes—we simply threw them out and allowed them to rot. There is only one plant in Moscow, the Kolos, which processes them. Yet the defense industry plants could create the necessary equipment perfectly well.

The government's third priority, incidentally, are the conversion sectors. We began to concern ourselves with conversion at the start of perestroika also. Unfortunately, the defense planners and the defense sector did

not understand it, and essentially no conversion has really taken place in Russia.

The task of the conversion sectors is first and foremost to manufacture competitive commodities on the world market. We have to have hard currency, like any country. A most powerful industry, highly equipped, makes weapons of the highest class! And we will ultimately make medical syringes ourselves also! Or will we purchase them, as before?

The fourth direction is basic research. There can be no Russia without research! Each leader, if he is a real leader, if he wishes something for himself and for his country and for his work force, must realize that under any conditions research must be preserved.

And the fifth—the social sphere: housing, health care, culture. We must have specific programs in all the directions.

Concerning the Fact That TempORIZING Is a Catastrophe Also

What next? A mechanism of realization of the priority tasks is essential. Their accomplishment will lie on the shoulders primarily of specialists of the said areas. They should make proposals.

For their part, the government and the Central Bank will make every effort to create a viable system of control. We cannot manage without the Supreme Soviet. Necessity commands that the Supreme Soviet and the Central Bank and we, the government, work in harness. Decide together whom to support and who cannot be lost under any conditions.

But what about all the rest? Will we have bankruptcies? Yes, we will. Do we need them? Yes! There will be unemployment, it exists today even—approximately 1 million persons.

You say that we need to support those who, on account of the lack of raw material and power, are not working two or three days of the week. Perhaps we do, but first try to keep them occupied. Why have we allowed workers to take time off and why do we pay them their average wage and yet have given no one any work?!

I saw this in Omsk: We went to an enterprise—neglect. At least shovel up your own dirt. You cannot get around the plant, icicles are hanging from the roof right down to the floor, and the roof is collapsing under the snow.

What is wrong? I, as an industrial manager, can tell you. Unfortunately, many executives do not know how nor do they really want to work. Try to encourage any director today—he starts to justify himself: There are no spades, mittens, special clothing.... So get hold of some! Do we need this hidden unemployment? We need normal unemployment. If we live to see the day when I value my job and am afraid of losing it, we will then have competitive high-quality products, albeit without the Emblem of Quality.

Everyone has retired into himself and is waiting: supposing something happens tomorrow? If we sit and wait like this, there will be catastrophe. We are producing poverty and spreading it to everyone.

Concerning Discipline

Availing myself of this opportunity, I have to make particular mention of discipline. I was at a mine, which had just buried 25 persons, and in the three weeks there were burials all at once at three mines. I have to say honestly that the tragedy occurred on account of a lack of discipline.

No one, incidentally, needs the discipline to which we had become accustomed—of the rod. Real discipline is when a person values his job and is prepared to fight for it. And we must create such conditions for him.

Make use of the laws, no one has revoked them. We will revive the statutes in the coal industry, in the Ministry of Railways, and in gas industry. We will allow no one to tear up, blow up, or destroy state property.

Take the latest airplane hijacking incident. Why did it happen? Because baggage handlers are in command with us of some of the most important airports in Siberia. The airplanes are loaded by passengers without tickets, and there are no inspections. Yet there is a militia and the Ministry of Security and its own security service. And airplanes are hijacked.

Concerning Our Neighbors

The position of elder brother is very onerous for us. We are the losers. They have all little by little raised prices to the world level or have approached the world level. And with many of them we are operating at the level of the prices which have taken shape in Russia. What should be done?

There are two options. The first: fence ourselves off altogether now, switch to another ruble zone, and set world prices on everything. In this case Russia would survive. But the decline would be even deeper. Why? Because no one, other than among our immediate neighbors, would need our products. Even in third countries. It would be the same with them also. We have no foreign currency nor do they.

The second option: working with them on a parity basis. That is, if they raise prices, we will raise them also. We should work in accordance with agreements. We need to create joint ventures, form stock companies, and determine our property. And let them determine their property here also, purchase it, and participate in the formation of stock companies everywhere. But all this on a parity basis! It would be advisable to switch to a common market with our immediate neighbors. That is, not repelling them, but not "lying down beneath them." Lying down is unworthy of us.

Concerning 'Reds,' 'Whites,' and Such

And, finally. We, the government, will cooperate with all who wish to do something serviceable for their people and for our country. With both the right and the left. We need to get down to business, and we will not allow ourselves to be dragged into some political feuds. This would be criminal. We will cooperate with everyone. Even were Papa Gapon to approach with valuable proposals, we would sit down with him (hypothetically speaking).

Is it reasonable that we have assembled the heads of administrations for the first time in 18 months? And they, some of them, were plainly bored. One said that "no one can give anyone a dressing down even."

We will necessarily cooperate with the unions. If there are questions, bring them here. And we will invite them to government meetings. But what I would prefer is that if you have suggestions or you see that we are doing something wrong, say it openly, do not wait.

At the same time it is time to translate all wishes and demands into the plane of specific action, set specific deadlines, and assign specific people, who may be held to account.

In place of an afterword. Igor Klochkov, chairman of the Federation of Independent Trade Unions of Russia, termed the meeting with Viktor Chernomyrdin and other members of the Cabinet of Ministers useful and constructive. For the first time in recent years, perhaps, he declared, we have seen a sincere desire on the part of the government to cooperate with the unions in the solution of socioeconomic problems and to sign a kind of social contract. We heard with satisfaction from the chairman of the Council of Ministers about programs which are being devised designed to alleviate as much as possible for the populace of Russia, its needy strata particularly, the painful process of transition to the market.

At the same time the unions are distinctly aware that a solution of social problems is impossible without an upturn in the economy and the strictest order being brought to bear in each workplace. The leader of the unions expressed the hope that the proposition concerning "the unions' constructive support for the government's actions" expressed in the course of the meeting by Viktor Chernomyrdin testifies to good intentions of working in close contact with the Federation of Independent Trade Unions of Russia, within the framework of the Russian Tripartite Commission for the Regulation of Social and Labor Relations included.

Bankruptcy of Small Enterprises Blamed on Lack of Experience

934E0241A Moscow DELOVOY MIR in Russian
2 Mar 93 p 15

[Article by Lyudmila Margolina: "Conflict as a Sign of Non-Professionalism"]

[Text] According to the results of regional surveys conducted by the Experimental Sociology Laboratory of the

"Kontekst" Scientific Center, more than a third of all small enterprises fall apart quickly, and not only because of the economic and political situation in the country, but also because of the inability of their managers to do business and manage the work team. The resulting conflicts overwhelm the new commercial structures and cause their ruin.

When a new enterprise is established in a market economy, economic feasibility studies and the compilation of a business plan should be accompanied by designs of socioeconomic patterns for the new organization.

"This concept of economic management does not exist in our country," said Leonid Averyanov, the head of the Experimental Sociology Laboratory of the "Kontekst" Scientific Center. "It is still unfamiliar to many people, especially entrepreneurs. We have designed machines, garments, plants, and cities, but we have never researched the principles and laws of human interaction in the production sphere. They are subject, however, to known rules and standards. After we experienced a conflict in our own work team, our laboratory had to develop designs for more favorable patterns of social relations at an enterprise. Now laboratory specialists—sociologists, psychologists, economists, and jurists—are helping firms compile documents, including regulations, instructions, and orders to regulate interpersonal relations in the work team, are assisting in the creation of the necessary conditions for the most effective interpersonal cooperation, and are regulating contacts between the administration (employers) and labor. The most common causes of conflicts in labor collectives and forms of protest have been determined from studies at enterprises in different property categories in various regions. As a result, we have been able to compose a scale of social tension, allowing for the quick and efficient diagnosis of conflicts and the determination of the means of resolving them."

Conflicts are most likely to arise during the distribution of command functions. After a plant in the Moscow suburbs was privatized, the administration began using its own discretion to set wages and distribute income. Management's authoritarian decisions caused clashes between the personnel of basic and auxiliary shops. In line with earlier practices, the former were paid more and the latter were paid less, although the whole workload of these groups had changed. This stalled the production process.

Here is another, seemingly different situation. A council of laboratory heads was created as part of the staff of the director of a commercial structure working on "new age" development projects. The council began to have altercations with the director, refusing to accept many of his decisions. After failing to find effective patterns of interaction, they all went their separate ways and the firm was dissolved.

In the first and second cases and in many others of the same type, the cause of the conflicts was the reproduction of the old system of management by command. The

bylaws of an enterprise operating in a market economy should record the precise set of socioeconomic relations in the work team, define the spheres of activity, rights, and obligations of each member of the organization, and delineate the spheres of influence of each administrative entity. It does not matter how many people are working together—two or twenty; there is always a boss and the people who take orders from him. Everyone should know exactly who is to do what, how it is to be done, and who is to be responsible for what. Furthermore, any organization (as sociologists can illustrate with examples from world experience) will succeed in surviving if it operates within the confines of a self-adjusting and self-regulating system distinguished by interaction by three different parties: management, labor, and some kind of arbiter. When laboratory experts developed a system for the automatic apportionment of the total income of the workers, conflicts were reduced dramatically. Regrettably, it was too late to save the second organization.

Leonid Averyanov believes that the successful development of entrepreneurship, including small business, will require everyone who has chosen this line of work to constantly master the set of laws and rules governing the market economy.

If an enterprise is just beginning to do business and its associates are gaining a sense of security, it must be guarded against possible upheavals. In this case, it is important to consult sociologists, who will assist in assessing the reliability of business relations and compiling a socioeconomic plan for the organization. The laboratory's services are all the more necessary wherever conflicts have already arisen.

The Experimental Sociology Laboratory of the "Kon-tekst" Scientific Center may be contacted by telephone at (095) 598-16-68.

Impact of Taxation on Economy Assessed

934E0223A Moscow VEK in Russian
No 8, 26 Feb-4 Mar 93 p 7

[Article by Grigoriy Kiperman, doctor of economic sciences and professor: "Taxes: A Stimulus or a Brake?"]

[Text] We have many taxes and their number is not being reduced but is growing. Nearly every session of the Russian Federation's Supreme Soviet considers that it is its duty to make us "happy" with another two or three. The Supreme Soviet's December session added two taxes to the list (according to our calculations, there are now 43 of them).

One of them is the collection for the needs of educational institutions, which is levied on legal persons. It is set by decisions of the republics within the Russian Federation and the agencies of state power in krais and oblasts and is completely directed to their budgets for the special purpose of providing additional financing to educational

institutions. The rate of this tax is up to one percent of the annual wage fund of enterprises, institutions and organizations.

On 1 January 1993, a local tax was introduced for the maintenance of housing and installations in the social and cultural area. It is levied in an amount that does not exceed 1.5 percent of the sales volume of products produced by enterprises located on the corresponding territory. Local councils set the specific rates. Theoretically, the rate could be even lower than 1.5 percent; however, in actuality, this will hardly occur. An unwritten rule has strongly taken root among us: If the Supreme Soviet sets a tax rate on the property of enterprises "of up to one percent," not a single oblast or kray will set a lower one.

In this regard, sales volume is used only as a base for taxation and the book profit is the source of the payment. The tax is related to the financial results of the enterprise's activity, is included in non-sales expenditures and is levied before the payment of the tax on profits.

The introduction of this tax is connected with the fact that our enterprises have not been in an equal position: Some have kindergartens, rest camps for children, after-work sanitariums, and rest bases on their balance sheet and are now expending large sums for their maintenance. Others did not acquire such social and consumer installations in the past and are the winners. Every one has now been placed in an approximately equal position; all must pay. However, if one has a kindergarten or after-work sanitarium on its balance sheet, the expenses for its maintenance are included in the amount of the tax. For example, if an enterprise's product sales volume is 160 million rubles and the expenses for maintaining a kindergarten are 1.8 million rubles, its tax is reduced by this amount: $160 \times 1.5 \text{ percent} = 2.4 \text{ million rubles}$; $2.4 - 1.8 = 0.6 \text{ million rubles}$.

If the enterprise's expenses for maintaining its social and consumer installations are more than 2.4 million rubles, it would not pay this tax.

All this is unpleasant news. However, there is also pleasant news. The main one is the substantial reduction in the value added tax rate and the expansion of benefits for the tax on profit. The main VAT rate has been reduced from 28 to 20 percent and the preferential rate—for food and children's items on the prescribed list—is 10 percent. The tax is levied at these rates above the free wholesale price. If one is talking about the tax on a controlled price or on a wholesale factory price including the VAT, its percentage or rate is 16.67 percent in this case and the preferential rate is 9.09 percent. These rates are derivative ones; it is not complicated to determine them independently. For example, if a footwear factory sells boots for 3,600 rubles a pair, their wholesale price without VAT is 3,000 rubles and the VAT is 20 percent or 600 rubles. Consequently, in conformity with the price including VAT, its percentage

or rate is 16.67 percent (600 divided by 3,600 = 16.67 percent). If one talks about food items, 9.09 percent is obtained in the same way (10 divided by 110 = 9.09 percent). Thus, in trade, a mark-up amounting to 25 percent includes the VAT and its over-all rate in this mark-up is 16.67 percent and the preferential one is 9.09 percent.

An easy time is given to so-called individuals, that is, to persons engaged in entrepreneurial activity without forming a juridical person: If their profit from the sale of goods or services does not exceed 500,000 rubles a year, they are freed of the VAT. Previously, this preferential frontier was 100,000 rubles.

The pampering, one must admit, is more than a modest one. Is it possible that our legislatures think that prices have grown fivefold and 500,000 rubles now corresponds to the previous 100,000 rubles? The absurdity of this assumption is evident. The threshold for freeing 100,000 rubles of sales profit from VAT was established on 6 December 1991 and the decision to change it was adopted on 22 December 1992. Grossly speaking, prices grew 100-fold during that time and not fivefold. If one is to grant real benefits and not just create the appearance of them, one must free the smallest commodity producers, whose profit does not exceed—at the very least—2-3 million rubles, from the VAT. Goods and services (except middleman ones), which are produced by enterprises in which disabled persons form no less than 50 percent of the total number of workers, are freed from the VAT.

Serious changes have occurred in the taxing of profit. This is especially important for entrepreneurs. The Law on Taxing the Profit of Enterprises and Organizations previously granted them certain privileges. They have now been seriously expanded—amounts directed toward financing capital investments of a production and non-production nature have been completely excluded from the profit subject to taxation. We are talking about any investment: for the acquisition of equipment, expansion of production, construction, etc. The granting of this benefit can noticeably affect a budget's income portion. The state, however, was forced to take this step because of the catastrophic decrease in capital investments. A hope now exists for their gradual increase: The benefits that have been granted actually mean that any enterprise, private or corporative, finances one third of its capital investments at the expense of the state.

Although this benefit is, in principle, being granted to any enterprise—large and small, state and private, industrial and trade—far from all are making use of it. The trouble is that one can exclude the investments from the profit subject to tax only on condition that the amount of the added depreciation (amortization allotments) is completely used as intended. As an analysis shows, you seldom meet a director who can answer the elementary question: How is the depreciation added for the year being used? Meanwhile, its amount is becoming more and more impressive because an entire re-evaluation of

fixed capital is being carried out based on 1 July 1992 conditions. It has risen 20-fold in price on the average and depreciation has increased correspondingly.

Now each enterprise must conduct an accurate accounting not only of the extra depreciation charge but also of its use because, otherwise, it is impossible to receive the serious benefit that has been granted since the beginning of this year.

250,000 Russians Died of 'Unnatural Causes' in 1992

934E0214A Moscow IZVESTIYA in Russian 3 Mar 93 p 5

[Article by Lidiya Ivchenko, IZVESTIYA: "A Quarter of a Million Russians Have Been Accident Victims"]

[Text] Last year, Russia lost 250,000 people as a result of deaths from accidents, poisonings, injuries, or so-called unnatural causes—in effect, the population of a big city. Together with the sharp reduction in the birth rate, the increase in the mortality rate has led to an absolute reduction in the population for the first time during the entire postwar period: There were 40,000 less Russians at the beginning of this year than in 1992 according to preliminary data.

Russia's State Committee for Statistics points out that the republic's demographic situation, which has been uninterruptedly worsening since 1988, has frankly acquired a crisis nature. The mortality rate for babies during their first year of life and the death of people from accidents, among whom the number of murders, suicides and alcohol poisoning is growing, are causing special alarm.

B. Bruy, a consultant in the Demographic Statistics Administration in the State Committee for Statistics, says: "Whereas the over-all mortality rate grew by almost seven percent during the year, the number of those who died from these causes increased by 20 percent. Within the overall structure of causes of death for the able-bodied population, accidents have now moved from second to first place. Men die four times as frequently as women."

The growing number of suicides is especially alarming: one out of five, who die from unnatural causes, leaves life voluntarily. Attempts are extremely more frequent, of course. There were 46,000 suicides during 1992 alone—7,000 more than during the previous year. This is a huge number—a direct reflection of the crisis that has burst upon our society. Many perceive their lives to be a failure now. The State Committee for Statistics points out that, if one compares this with the countries of the West, "we are in front of the whole planet" for suicides. With respect to 1987—the most successful year from a demographic respect, the indicator has jumped 1.5-fold. The mortality rate increased at the highest rate among

juveniles less than 19 years old. This is directly connected with the increase in alcoholism and drug addiction: Now, 19 out of each 100,000 15-17 year olds are on the books in connection with alcoholism and 40—in connection with drug addiction and toxic substance abuse. The number of murders has grown twofold in comparison with 1987—at the time, there were eight murders for each 100,000 people and now there are 15.... If the mortality rate remains this high in the immediate future, a third of the generation of youth, who are now 16, will not live until 60.

The impassive statistics force one to think. You see, that, which is now occurring so dynamically, will provide its own consequences—and quite predictable ones—very soon. On the one hand, the sharp reduction in the birth rate and, on the other hand, the increase in the mortality rate will affect the country's labor resources. The health of those being born is becoming poorer: Whereas even quite recently, in 1985, every 10th or 11th one of those born became ill, it is now every sixth and even every fifth one! Also, they will not provide healthy descendants and this threatens our entire nation.

B. Bruy explains! "The numbers are not terrible by themselves but as evidence of our society's qualitative potential. Take the over-all mortality rate indicator: In the West, it does not differ very much from ours—there, it is 11-13 individuals per thousand and for us—12. However, this indicator is high there because of the high life expectancy; more people live to old age and the more the elderly, the higher the mortality rate percentage. Our social cataclysms are contributing to an increase in infarctions, accidents, suicides, and similar conditions that carry off people in the prime of life, not to mention the high infant death rate. As a result, life expectancy, which is extremely lower for us than in the developed countries, has fallen from 70 to 69 years.

However, how can the demographic situation be corrected? With the existing unfavorable conditions, it is unrealistic to count on changing it completely. However, purposeful and integrated measures are required in order to even prevent it becoming worse. As an analysis shows,

the drop in the birth rate is linked greatly to social causes; one must achieve changes in this area. The State Committee for Statistics is directing the attention of the country's leading agencies toward measures for the social protection of families: Not only multi-child families but especially the more widespread young married couples, on whom the increase in the population will depend in the immediate future, need them. If they are not supported and not given incentives, even simple reproduction will stop: During the last five years, they have been giving birth to a second and third child twofold less than before. By the way, based on State Committee for Statistics data, the government has entrusted the appropriate ministries with submitting coordinated proposals.

Against the background of the reduction in the birth rate when maternity hospitals are standing empty, it is necessary to make efforts, as the Ministry of Health and the State Committee for Statistics recommend, for a reduction in the infant mortality rate and the pulling through of low-weight and premature babies. Russia's shift on 1 January of this year to international criteria for counting juvenile mortality rates will inevitably lead to a rise in the mortality indicator during the first year of life; however, in return, many human beings will be saved.

DELOVOY MIR Economic Statistics, 5 February

934E0186A Moscow DELOVOY MIR in Russian
5 Feb 93 p 6

[Article by Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, State Committee for Statistics of Russia: "Prices Rising More and More Rapidly"]

[Text]

Consumer Goods Price Level

During the period from 12 through 19 January prices of the main food products that are registered weekly rose by 6.3 percent, which is higher than the rates of price increases during the preceding week (4.9 percent).

The dynamics of the weekly price changes are given below:

	in percentage of preceding week		
	5 Jan	12 Jan	19 Jan
Total	109.5	104.9	106.3
Including:			
—in retail trade	104.8	104.8	106.8
—in city markets	123.6	105.1	104.6

During the three weeks of January the growth of prices of the main food products on average throughout Russia

was 22 percent. Prices of meat, fish, and dairy products rose by 25-30 percent.

The changes in the average prices of 70 food commodities during the past week in consolidated commodity groups are characterized by the following figures:

			in percentages
	total	including:	
		in retail trade	in city markets
All foodstuffs	106.3	106.8	104.6
Including			
Meat and meat products	107.4	110.5	104.1
Fish and fish products	107.7	108.3	
Butter	107.7	107.7	107.8
Vegetable oil	105.2	105.1	105.6
Milk and dairy products	108.4	108.0	110.7
Sugar	102.3	102.7	
Confectionery items	105.6	105.9	
Flour	100.6	100.6	
Bakery items	101.6	101.6	
Potatoes and vegetables	104.2	101.9	106.5

The greatest increase in average prices during the past week in retail trade were reported for live fish (18.4 percent), nonfat cottage cheese (16.4 percent), beef (14.8 percent), buckwheat (12.3 percent), milk and sour cream (11 percent), and butter (7.7 percent). It was significantly higher in a number of cities. Beef prices rose by more than 30 percent in Moscow, Nalchik, Cherkessk, Tyumen, and Vladivostok; butter—in Vorkuta, Blagoveshchensk, and Chita; and milk—in Volgograd, Nalchik, and Blagoveshchensk.

There was a 1.4-fold to twofold increase in prices at city markets for butter in Kaluga and Tver; milk—in Tyumen, Birobidzhan, Petropavlovsk-Kamchatskiy, and Yuzhno-Sakhalinsk; potatoes—in Blagoveshchensk, Shakhty, and Nakhodka; and fresh cabbage—in Kaliningrad, Angarsk, and Kemerovo.

For comparison, figures are given for prices in retail trade in January of this year in the capitals of the sovereign states (in rubles per kg. or liter):

	Moscow	Baku	Yerevan	Ashgabat	Bishkek	Minsk)	Alma-Ata
Beef	494	280	450	60	258	110	323
Butter	831	400	1,000	60	—	240	360
Milk	37	60	50	2	20	6	30
Sugar	205	180	260	15	155	100	150
Wheat bread from high-grade flour	52	21	30	3	20	9	16
Potatoes	36	40	—	25	30	29	25
Apples	140	40	100	90	45	150	79

Of the 22 nonfood commodities observed daily, the prices of knitted items increased 7.4 percent during the past week, sewn items—7.5 percent, goods for cultural and domestic purposes—3.5 percent, and footwear—5.1 percent.

The growth of prices and rates of paid services to the population during the two weeks from 5 through 19 January of this year amounted to 11 percent. Rates for hairdressing services increased by 25 percent. Residents of Tolyatti, Ufa, Kemerovo, Novokuznetsk, Norilsk, and Yuzhno-Sakhalinsk have to pay R500-R600 for a fashionable hairdo with a blow dry, while the average cost throughout Russia is R235. The cost of washing and ironing has gone up by 21 percent. This service costs R60

per 1 kg of plain laundry in Cherepovets, Murmansk, Lipetsk, and Yekaterinburg, and about R200 in Petropavlovsk-Kamchatskiy. The cost of keeping children in preschool institutions has gone up by 25 percent. In Murmansk, Tver, Yaroslavl, and Volgograd, parents had to pay more than R50 per day, and in Arkhangelsk, Ivanovo, and Khabarovsk—about R80.

The Consumer Market

Last week (18-22 January) as compared to the preceding one (according to data from constant observation in stores of 76 republics of the Russian Federation and kray and oblast centers), meat production throughout Russia as a

whole increased 2.1-fold, vegetable oil—25 percent, and bread and bakery items—10 percent. As a result, there was a smaller group of cities where these products were not for sale. In particular, meat appeared on the counters of the stores inspected in Smolensk, Yaroslavl, Kirov, Voronezh, Makhachkala, Chelyabinsk, and Kaliningrad (at a price of R205-R486 per kg); and vegetable oil—in Petropavlovsk-Kamchatskiy (R174-R403).

Eggs could be bought practically everywhere except Rostov-na-Donu and Orenburg (last week they were not found in stores inspected in 11 cities).

The change in the volumes of production, sale, and reserves of the basic food products during the week is characterized by the following data:

	In percentage of preceding week			Number of cities where commodity was not for sale	
	production	sale	reserves in retail trade	11 Jan-15 Jan	18 Jan-22 Jan
Meat	2.1-fold	116	109	25	22
Vegetable oil	125	124	111	38	33
Sugar	116	102	104	22	21
Bread	110	103	90 (flour)	6	4

The situation deteriorated on the market for goods of the children's assortment. Last week there were no wool blend dresses for girls or trousers for boys in the stores that were inspected in 33-36 cities (during the preceding week—28-30); and jackets and warm shoes for children—in 24-27 (20-35). Difficulties in buying goods of the children's assortment were experienced by residents of Orel, Saransk, Tambov, Elista, Vladikavkaz, Orenburg, Krasnoyarsk, Irkutsk, Kyzyl, and Vladivostok. Moreover, the growth of prices for the main kinds of clothing for children during the week amounted to six to 14 percent, and for adults—four to nine percent.

Industry

During the past period of January, for 99 items (68 percent of the number taken into account in the periodic weekly report), the average daily production decreased as compared to the corresponding period of January and December of last year.

In the fuel industry during 24 days of January, 22.5 million tonnes of oil were extracted. The daily extraction as compared to the same period of January of last year decreased by 16 percent; compared to December—it increased by two percent. The number of inactive wells continues to increase and now exceeds 23,000 (16 percent of the total number in operation).

Gas extraction amounted to 44.2 billion cubic meters. The volume of the daily gas extraction (1.8 billion cubic meters) was practically the same as the extraction for analogous periods of last year and the previous month.

As compared to the corresponding period of last year, the daily extraction of coal decreased by 15 percent and amounted to 18.7 million tonnes. The reduction of the extraction occurred because of a prolonged strike at one of the largest mines of Russia, Vorgashorskaya, the shortage of material and technical resources at existing mines and fields, and the shutdown of the mines during holidays.

In ferrous metallurgy, the production of the basic final product of the branch—prepared rolled metal and steel

pipes—for 24 days of January of this year corresponded to the level of the analogous period of last year. As compared to the level of three weeks of December 1992 the daily smelting of iron and steel decreased by seven to eight percent, the production of prepared rolled metal—by nine percent, and steel pipes—by one-fourth, which is linked largely to the retardation of the work or partial stoppage of production at metallurgical enterprises during the holidays.

In machine building during the past period of January, for more than one-third of the items under consideration the average daily production exceeded the corresponding level of December of last year. This pertains to the output of diesel engines and diesel generators, alternating current electric engines, wood processing machine tools, boxcars, tractor and truck trailers, and roller bearings.

The daily output for the corresponding period of January 1992 was exceeded by 40 percent of the items taken into account. But for production of large electrical machines, forge and press machines, excavators, and grain combines, the lag behind last year's level was more than half.

During the past period of January of this year, they did not begin production of tower cranes and cranes with pneumatic wheel drive, scrapers, and mainline steam locomotives. For the majority of machinebuilding items the output increased toward the end of the month. Thus, for two-thirds of the items, the daily output during the third week of the month exceeded the production for the days of the first two weeks of January. For the output of large electrical machines, small electric engines, metal cutting machine tools, cranes, traveling cranes with electrical and automotive drive, and roller bearings, the difference was 30-60 percent; excavators, forge-press machines, automotive graders, and city telephone cables—two- to fivefold, and feed combines—eightfold.

The breakdown of business relations among enterprises of Russia and the CIS countries, which led to a reduction of the receipt of material resources into the republic, the reduction of import deliveries of raw and processed materials, and a number of other factors led to a situation where enterprises

of the chemical and petrochemical industry began this year with a decline of the volumes of production of the majority of the most important kinds of products. This pertains above all to the most important raw material products—synthetic diamonds, sulfuric acid, and soda ash; their average daily output during the past period of January was only 83-86 percent of the level of the corresponding period of January 1992. The daily output of chemical fibers and filaments, the main raw material for the textile industry, was 900 tonnes, which is almost one-fourth less than the level of January of last year and 15 percent less than last month.

The situation with the production of products for the agro-industrial complex remains strained. The average daily output of mineral fertilizers and nutritive microbiological protein declined by 23 percent and 20 percent as compared to the corresponding period of January of last year, and tires for agricultural machinery—by more than half.

There was further deterioration of the situation with the output of timber products during January in the timber, wood-processing, and pulp-and-paper industry. During 24 days of January there was an increase over the average daily output of the analogous period of December 1992 only in the production of commercial timber, lumber, and cardboard, but as compared to the level of January of last year there continues to be a tendency toward decline of all the main kinds of products of the branch. Because of the shortage of timber raw material, the situation with the output of products of the processing products continues to deteriorate. As compared to the corresponding period of last year, the average output of lumber decreased by 25 percent, paper—by 27 percent, and commercial pulp and cardboard—by 13-16 percent.

In the construction materials industry during the third week of January of this year as compared to the first two, there was an increase in the average daily output of the majority of kinds of construction materials. But the lag behind the level of the average daily production of last month and January of last year is still considerable and amounts to 14-29 percent for the output of slate, high-grade asbestos, and window glass, and 39-41 percent for cement, soft roofing, and rolled insulation material.

The situation in light industry did not improve either. As compared to the analogous period of December 1992, there was a reduction of the daily output of woolen, silk, linen, and hemp-jute fabrics, hosiery and knitted items, and footwear—by two to 23 percent. A difficult situation has developed with the output of cotton fabrics, and their output has decreased by one-third.

As compared to the corresponding period of last year, there was a reduction of the average daily production of silk, linen, and hemp-jute fabrics and hosiery items—by 12-18 percent; woolen fabrics, knitted items, and footwear—by almost half, and cotton fabrics—by one-fourth.

In the production of household appliances as compared to the analogous period of last year, there was an increase in the daily output of refrigerators and freezers, washing machines, television sets, videotape recorders, sewing

machines, motorcycles, and knitting machines. But for the majority of the aforementioned kinds, we have not reached the level of daily output of December 1992.

Since the beginning of the year a difficult situation has been developing with respect to providing the population with the most important kinds of foodstuffs. For 14 of the 21 kinds of food products taken into account in the periodic report, production decreased in comparison to both the corresponding period of last month and January 1992. The greatest drop in production as compared to the corresponding period of last year was found with respect to meat, whole milk products, mineral water, salt, and concentrated foods—by 30-50 percent, and the production of fatty cheeses has dropped by three-fourths.

Of the products in daily demand in January of this year, there was growth in output of detergents, lotions, toothpaste, and shaving cream as compared to an analogous period of the preceding month.

Agriculture

On the whole, the wintering of livestock is taking place under difficult conditions, and the shortage of feeds and the lack of preparation of animal husbandry premises and feed preparation equipment are being felt. During the fourth quarter of 1992 as compared to October-December 1991 the volume of sales of cattle and poultry for slaughter decreased by seven percent, milk production—by 18 percent, and egg production—15 percent. Meat production decreased in 50 regions of Russia, and the milk yield and productivity of cows decreased practically everywhere (except the republics of Komi and Tatarstan).

The majority of regions of Russia have not created reserves of feeds sufficient for the entire winter stabling period. Only in 11 republics, krais, and oblasts of the Russian Federation by the beginning of 1993 were there 14 quintals of feed units or more per conventional head, while in 32 territories the amount available was less than 10 quintals of feed units, including in the republics of Karelia, Komi, and Tuva, Khabarovsk Krai, and Novgorod, Pskov, Leningrad, Moscow, and Kaliningrad Oblasts—only four to seven feed units. The situation is exacerbated by the fact that the farms not having the necessary feed preparation equipment, have been forced to give livestock feed in unprocessed form. And there has been a significant reduction of the degree of assimilation of forage and output of products. Only five percent of the kolkhozes and sovkhozes have shops for producing concentrated feeds, and only 70 percent of the farms have feed shops and feed kitchens for cattle and hogs. By the beginning of January, from five to 20 percent of the available feed manufacturing equipment was in good repair.

The shortage of feeds and the low level of zootechnical work on agricultural enterprises were reflected in the productivity and maintenance of the livestock. The average daily milk yield on dairy farms dropped from 4.6 to 3.9 kg. The loss of livestock from death and destruction increased by from eight to 13 percent, and the number of offspring decreased by 13-21 percent. The number of head of livestock continued to decrease. As compared to 1 October 1992, the

number of cattle decreased during the three months of wintering by 2.1 million head (five percent), including cows—by 0.6 million (four percent), hogs—by 2 million (nine percent) and sheep and goats—by 5 million (13 percent). This significantly exceeds the analogous losses of numbers of livestock in the fourth quarter of 1991.

Reserves of Coal and Fuel Oil

During the past week (11-18 January) the rates of reduction of the reserves of coal and fuel oil have slowed up at energy enterprises, boilers used in housing and municipal services, and among the population.

Actual reserves

	of coal				of fuel oil			
	as of 30 Dec 92		as of 18 Jan 93		as of 30 Dec 92		as of 18 Jan 93	
	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption	thousands of tonnes	days of consumption
Energy enterprises	21,431	37	18,530	32	3,225	28	2,971	26
Metallurgy enterprises	1,657	12	1,513	9	488	32	414	28
—including for coking	508	5	470	5				
Housing, municipal services boilers	416	41	334	31	143	41	130	37
Warehouse of rayon (city) fuel supply administrations	2,110	28	1,935	26				

Since the beginning of the winter period, there have been no coal supplies, or they have been low (enough for one to seven days) at heating and electric power stations of the Republic of Khakassia, and the increase of the average daily expenditure led to a reduction to a two-day supply among these organizations of the Republic of Altay.

There are constant coal shortages for housing and municipal services boilers of Belgorod and Voronezh Oblasts, while in the neighboring Kursk Oblast there is a two-month supply. The coal supplies have been low (enough for four to eight days) for three weeks at these enterprises of the Republic of Kabardino-Balkaria and Khabarovsk Kray. Since the beginning of the month for the boilers of Vladimir Oblast they have decreased from 27 to 13 days, Yaroslavl Oblast—from 42 to 18 days, Magadan Oblast—from 38 to 18 days. The boilers in Kamchatka Oblast, where the fuel oil supplies are enough for one day, are in an impoverished condition as before.

During the course of the month coal reserves sufficient for from three to nine days are retained at warehouses of rayon (city) fuel supply administrations in Arkhangelsk, Murmansk, Bryansk, Tver, Kemerovo, and Amur Oblasts, the Republics of Komi and Khakassia, and the Mordvinian SSR. During the period from 11 through 18 January in Orel Oblast they decreased from 12 to three days, in Irkutsk—from 14 to nine days, in Sverdlovsk—from 11 to five days, in the Chechen Republic and Ingush Republic—from 15 to four days. It should be noted that there was some increase in reserves at warehouses of Maritime Kray (from 11 to 23 days).

The Work of Suburban Transportation

The State Committee for Statistics of Russia conducted a spot check of the adherence to the arrival times during the morning "peak" hours from 0700 to 1000 hours local time for local trains and buses to capital cities of the republics and oblast and kray centers. On the day of the check every fifth electric commuter train and every seventh local bus arrived late.

	Number of vehicles arriving late	Proportion of vehicles arriving late	Average delay
Trains	121	20	9
Buses	284	14	13

Just during the hours of the check, 187 local bus trips (eight percent of those scheduled) were canceled.

The length of delay of 84 percent of the local trains and 71 percent of the buses was from four to 14 minutes, and every eighth train and every fourth bus was late by 15 minutes and more.

All local trains arrived late in Tver and Tula; three-fourths—in Vladivostok and Perm; two-thirds—in Rostov-na-Donu; and half in St. Petersburg, Volgograd, Kazan, Tambov, and

Kemerovo. Trains arrived with the greatest deviations from the schedule in Kirov, where the average time of delay per train was 31 minutes, and Tambov—28 minutes.

In a number of regions an unfavorable situation has developed with respect to local bus service for the population. On the day of the spot check during the morning peak hours, more than 60 percent of the scheduled local buses did not arrive in Groznyy and Volgograd, in Nalchik—39 percent, in Belgorod and Samara—one-third, Tula and Kirov—22 percent, and Moscow—18 percent.

Three-fourths of the buses arrived late in Barnaul, two-thirds—in Volgograd, one-half—in Belgorod, Lipetsk, Astrakhan, Krasnodar, and Petropavlovsk-Kamchatskiy, and 40 percent—in Arkhangelsk, Kaluga, Nizhniy Novgorod, and Cherkessk. In Astrakhan the average time of delay of a local bus was 38 minutes, Kaluga—34 minutes, and Moscow, Lipetsk, Tambov, Saratov, Barnaul, and Ulan-Ude—20-26 minutes.

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[Report by Valeriy Galitskiy, Aris Zakharov, and Aleksandr Frenkel, Russian State Committee on Statistics: "Fewer and Fewer Products Being Produced for the People"]

[Text] January is characterized by a 22-percent decline in industrial production as compared with January of last

year (to a certain degree this is related to a lesser amount of labor time this month). Average daily production volume in January (in comparable prices) constituted 97 percent of the December volume. We are seeing a trend towards increased numbers of items for which production is growing. Whereas in December 1992 growth was observed, as compared with December of the preceding year, in 43 of 250 aggregate groups taken under consideration for periodic reporting, in January 1993 this number came to 62 as compared with January 1992, and 112 as compared with December. Livestock and fowl purchases (live weight) in all categories of farms decreased as compared with December 1992—by 31 percent, purchases of eggs—by 28 percent. Wholesale prices for industrial production increased by 32 percent as compared with the previous month, consumer prices for goods and services—by 27 percent; retail trade turnover (in comparable prices) decreased 19.7 percent.

Socioeconomic Situation of the Russian Federation (In Actual Prices)

	January 1993	January 1993 percentage of January 1992 level (in comparable prices)
Gross domestic product, trillions of rubles	3.2	82
National income generated, trillions of rubles	2.6	81
Industrial production volume, trillions of rubles	2.987	78.2
Production of consumer goods, billions of rubles	894	84
Including:		
Foodstuffs	376	89
Alcoholic beverages	61.4	99.9
Nonfood products	457	78
Purchases of main livestock products, millions of tonnes		
Livestock and poultry (live weight)	0.453	82
Milk	1.282	84
Eggs, billions	1.8	90
Retail trade turnover, billions of rubles*	762.4	153.0
Paid services, billions of rubles	64.6	72.7
Freight shipments (dispatch), general-use transport, billions of tonnes	0.3	70
Monetary income per capita, rubles	7,931	10.3-fold**
Savings increase by the populace, in deposits and securities, billions of rubles	61.4	7.3-fold**
Emission, billions of rubles	224.2	13.1-fold
Taxes and payments to the budget, trillions of rubles (State Tax Service data)	1.1	18-fold
Exports, billions of U.S. dollars	2.2	88
Imports, billions of U.S. dollars	1.0	44

*Without consideration of product sales to individual citizens through free trade

**In actual prices

[begin box] In January of this year, according to Russian State Tax Service data, 1.1 trillion rubles [R] in taxes and other obligatory payments went into the budget. This is greater than the average monthly receipts into the budget for fourth quarter 1992 by R191.0 billion (21.4 percent), including a 9-percent increase over December. [end box]

The greatest shares of this total amount are attributable to value-added tax (45.9 percent), tax on profits (28.5 percent), income tax (10.1 percent), and payments for the use of natural resources and mineral wealth (6.2 percent). Income received from privatization over January amounted to R20.5 billion, 7 percent less than over December of the previous year. Receipts from the tax on securities transactions decreased.

The largest portion of taxes and payments received was directed to the federal budget—58 percent (54 percent in December 1992); 42 percent went to the budgets of territories (46 percent). For 49 territories, the percentage of deductions to the federal budget exceeded the average level, including 16 territories in which this percentage was greater than 65 percent.

[begin box] Increased indebtedness was noted in January by virtue of wages due enterprise workers. As of 1 February, the volume of this indebtedness in industrial, construction, and agricultural enterprises exceeded R43 billion, as compared with R29 billion at the beginning of the year. [end box]

Infusions of credits into the economy are continuing, and in significant volumes. According to current data of the Central Bank of Russia, the volume of credit investments in the territory of Russia as of 1 February 1993 amounted to R6.6 trillion, more than 1.3 times the volume at the beginning of the year, and 12.8 times greater than for the same date of last year. The increase in credit investments over January came to R1.5 trillion, as opposed to 0.6 trillion for December. No changes are taking place in the structure of the credits issued. Short-term loans constitute 95 percent of the total volume of credit investments, long-term loans—only 5 percent.

Industry

[begin box] In January of this year, industrial production totaled R2.987 trillion in current prices. The index of physical volume of industrial production output as compared with the same month of last year was 78.2 percent. Average monthly production volume during fourth quarter 1992 decreased on approximately the same scale. The decline in production output was observed at enterprises of all sectors of industry. Production output decreased in large amounts in sectors having intermittent production processes. This was brought about to a certain degree by a lesser amount of operational work time available in January of this year. Production at machine-building enterprises was reduced by practically one-fourth the level of January of last year. Production output in light industry was slightly more than half, and in the building materials industry—comprised two-thirds of last year's levels. [end box]

In the fuel industry, 30 million tonnes of oil was produced in January of this year, which is on the level of December 1992 but 5 million tonnes (14 percent) less than for January of last year. January of this year saw a continuation of the decline in volume of coal extraction: by 1.3 million tonnes (4 percent) as compared with December and by 4 million tonnes (12 percent) as compared with January of last year. Production of gas corresponded in practical terms to the levels of January and December of last year (57 billion cubic meters).

In ferrous metallurgy, the January output of finished rolled metal and steel showed a reduction of 3 and 6 percent, respectively, as compared with January of last year, and of 6 percent as compared with December. Production of steel pipe was somewhat greater than in January 1992, but 17 percent less than for the previous month.

In machine building, the daily production of most items in January of this year decreased as compared with the same period in 1992. Output of large electrical machinery, tower cranes, forging and pressing machines, tractor and motor vehicle trailers and semi-trailers, and tractor mowers was reduced by over half, of wheeled cranes and grain-harvesting combines—by almost a third, of low-power electric motors, foundry machines, electric bridge cranes, and roller bearings—by 13-20 percent, and of metal-cutting machine tools, freight cars, bulldozers, and feed-harvesting combines—6 percent.

At enterprises of the chemical and petrochemical industry, output of raw material products—synthetic ammonia, sulfuric acid, and caustic soda—constituted in January 1993 only 80-91 percent of the level of January of last year. Production of plastics and synthetic resins decreased 12 percent, including their progressive varieties: polyvinylchloride—24 percent, plastic compounds based on this—14 percent, thermoplast pipe and components—51 percent. Production of chemical fibers and filaments and synthetic dyes—materials extremely important to the textile industry—was [word illegible] and 57 percent less than in January of last year.

In the lumber, woodworking, and pulp and paper industry, timber production output continued to drop. This was related primarily to failures in operation of the base industry—the logging industry. The raw materials base for continued lumber processing during the course of the year is to a great extent laid during the first quarter. Output of commercial timber in January fell to 14.4 million cubic meters—5.3 million cubic meters (27 percent) less than the level for the same period of last year. Output of sawn lumber, railroad ties and beams for wide-gauge track, plywood, and door and window assemblies decreased by 17-30 percent over the level of January of last year, of mine props, braces, and offcut timber—by 40-49 percent. January production output of paper in the republic fell to its minimal level for the past five years—262,000 tonnes. This is 25 percent lower than the level for January of last year.

In the building materials industry, a lag behind the levels of January of last year was seen in the production of practically every variety of building material, including a lag of 28-39 percent with respect to cement, soft roofing and insulation, slate, and high-quality asbestos.

A decrease was seen in the production of materials used in building facilities for production and technical use and large-panel housing construction: precast reinforced concrete structures and components (by 31 percent), panels for large-panel housing construction (25 percent), and light metallic structures (26 percent).

[begin box] In January 1993, Russian Federation industry produced consumer goods totaling R894 billion—16 percent less than the January 1992 level. Output of nonfood products totalled R457 billion (22 percent). [end box]

The situation at enterprises of light industry continues to deteriorate. Daily production of cotton and silk fabric, knitted articles, and footwear decreased 2-15 percent as compared with the level of December 1992; the lag behind January 1992 levels with respect to these products was 30-55 percent, except for cotton fabric—which amounted to 73 percent. The main reason for the drop in production was shortages in raw material resources, especially cotton.

Regarding the production of major household appliances, output of goods in demand by the high-income segments of the population continued to increase: kitchen appliances—by a factor of 1.5 as compared with January 1992, knitting machines—by 1.6, microwave ovens—by 11 percent. Within the framework of conversion, there was an increase in production of television sets by the Lazur plant (Nizhniy Novgorod Oblast) and washing machines—by the Moscow Aircraft Production Association.

For many varieties of foodstuffs, we did not succeed in attaining the production level of January 1992. As before, there is a significant lag in the output of meat, whole milk and margarine production, bread and bakery products (by 17-27 percent), mineral water, tea, and salt (31-48 percent), confectionery items, macaroni products, flour, and cereals (9-14 percent).

Although the production output of granulated sugar from sugar beets exceeded the January 1992 level, granulated sugar production from imported raw materials decreased 31 percent at the same time. Under conditions of unreliable economic ties with states of the Commonwealth concerning deliveries of granulated sugar to Russia, the drop in its production is aggravating the situation with respect to supply of this product to the populace.

The population of Russia is experiencing acute shortages of output processed from sea and ocean raw materials. Production on the whole of pickled, smoked, dried and

cured fish, and jerked fish products decreased as compared with January of last year by 47-54 percent; of specially prepared fish and culinary items—by 61 and 64 percent.

The Agro-industrial Complex

[begin box] The decline in livestock production output continued in January of this year. As compared with January 1992, sales of livestock and fowl slaughtered at agricultural enterprises of Russia decreased 11 percent, gross milk yield dropped by 14 percent, and egg production—by 10 percent. The reduced volumes were due to continued reductions seen practically everywhere in numbers of livestock and its diminished productivity. [end box]

As of 1 February 1993, numbers of farm animals at agricultural enterprises were: 38.1 million head of cattle (90 percent of the 1 February 1992 level), including 13.1 million cows (91 percent); 20.3 million pigs (84 percent); 32.7 million sheep and goats (85 percent); and 373 million fowl (85 percent). Here losses of livestock at the farms were compensated only partially by virtue of personal farmsteads: of cows—to the level of about 70 percent, cattle (minus cows)—25 percent, sheep and goats—11 percent, and pigs—4 percent.

The average daily yield of milk in January at agricultural enterprises came to 4.4 kilograms, as opposed to 4.6 kilograms a year ago. The egg yield per egg-laying hen amounted to 19 eggs on the average, as opposed to 18 for January of the previous year.

As of 1 February of this year, 44.3 million feed-unit tonnes (5 percent less than as of the same date last year) of feed remained at farms of the republic. There were 9.5 feed-unit quintals of all types of feeds per standard head of livestock, as opposed to 8.9 feed-unit quintals as of 1 February 1992. The feed situation was adverse for agricultural enterprises of the North, North-West, East-Siberia, and Far East regions. In January of this year, murrain affecting sheep and goats increased 11 percent as compared with January 1992, cattle plague—4 percent, and murrain affecting pigs—1 percent. Litters of all varieties of livestock decreased by 13-21 percent.

[begin box] Amounts of livestock production output going to state resources decreased significantly. In January of this year, purchases of livestock and fowl decreased by 100,000 tonnes (18 percent) as compared with January of last year, of milk—by 238,000 tonnes (16 percent), and of eggs—by 203 million (10 percent). [end box]

The average purchase price of one kilogram of livestock and fowl (live weight) in sales by procurement organizations, without taking subsidies into account, came to R90.5 in January of this year, of one liter of milk—R19.3, and of ten eggs—R74, a 1.5-1.8-fold increase as compared with December of last year.

Agricultural enterprises of the republic are somewhat better provided with seed for the coming sowing period as far as spring grain crops are concerned. By the beginning of February, seed assets of farms comprised 10.4 million tonnes of spring grain seeds (not including corn), or 99.9 percent of the requirement as determined by the farms themselves. Wheat and buckwheat seeds are laid in in sufficient quantity.

At the same time, the farms are short 3,000 tonnes of millet seed (5 percent) and 2,000 tonnes of rice seed (3 percent). A great shortage of leguminous crop seed (212,000 tonnes, 19 percent) is being felt. Some 271,000 tonnes (8 percent) of seed potatoes for planting by agricultural enterprises is lacking.

Under conditions of sharply increased prices for machine-building production output for the village, kolkhoses and sovkholes have significantly reduced the amount of agricultural equipment written off. This has partially compensated for the reduced amounts of equipment procured by the farms. At the same time, the slowed pace of replenishment of the equipment inventory could not help but have an effect on the quality of available agricultural equipment, significant quantities of which are in need of repair. As of the beginning of February of this year, 20 percent of tractors were in a state of disrepair, 22 percent of trucks, 24 percent of plows, 26 percent of cultivators, and 27 percent of seeding machines. This is 2-6 percentage points higher than for the same date last year.

This year agricultural enterprises are continuing, as they did last year, to lower the volumes of fuels, oils, and lubricants they acquire. In January of this year, 14 percent less diesel fuel and 16 percent less gasoline arrived at farm storage facilities than in January of last year. Stores of petroleum products at these enterprises as of 1 February were at a lower level than in previous years. Especially noticeable (40 percent lower as compared with 1 February 1992) was the reduced volume of diesel fuel.

The number of peasant (owner-operated) farms increased in January of this year. Their increase over the past month amounted to 16,000, whereas in October-December 1992 the monthly increase came to 10,000-11,000 farms. The total number of peasant farms as of 1 February 1993 was almost 200,000, with area of 8.4 million hectares (42 hectares per farm on average). In addition, 99 reindeer farms are operating in the northern regions over an area of 20.5 million hectares, 3 horse-breeding farms over an area of 59,000 hectares, and 24 game preserves covering an area of 831,000 hectares.

The role presently being played by peasant farms in agricultural production is not great. Last year private farmers produced 2 percent of the grain volume, 2 percent of the sugar beets, 5.7 percent of the sunflower crop, 0.8 percent of the potatoes and vegetables, 0.6 percent of the meat, and 0.4 percent of the milk.

Prices of Consumer Goods

In January of this year, the high rate of inflation characteristic of the final months of last year continued. Prices for consumer goods and services increased 27 percent as compared with December 1992, wholesale prices for industrial production—32 percent.

Unrestrained inflation has shifted the overwhelming bulk of the populace, especially pensioners, into the ranks of the needy, has devalued savings and made it foolish to accumulate funds in order to acquire durable goods.

[begin box] Prices of food products in January 1993 increased by 26 percent on the whole as compared with December of last year; meat, milk, and fish products increased 34-45 percent; flour, cereal and macaroni products, vegetables, and fruits—by 12-20 percent; bread and bakery products—by 7 percent. As compared with January 1992, prices for beef increased 6-fold, butter and eggs—8- to 9-fold, fish—13-fold, fresh milk, vegetable oil, and sugar—16- to 17-fold. [end box]

We continue to see further price increases in February. The weekly growth of prices for 70 basic food products from 2 through 9 February amounted to 3.6 percent, as opposed to 5.8 percent for the previous week. This was due mainly to a lowered rate of price increases at city markets. The greatest price increments were observed in cities of the Central-Chernozem (6.3 percent), and North-West (8.1 percent) regions; the least—in the Volga (2.2 percent) and North Caucasus (0.2 percent) regions.

Prices for milk in Cherepovets, Novgorod, Orekhovo-Zuyevo, Smolensk, Tula, and Yakutsk increased by more than 30 percent. This was also the case regarding beef in Severodvinsk, Vladimir, Murmansk, Samara, and Nakhodka, and for wheat bread made from highest grade flour in Kyzyl, Yakutsk, and Vladivostok.

There were practically no price changes over the week for 17 out of 70 food products surveyed.

The table below shows a comparison of prices for certain food products in retail trade as of 2 February 1993 in several capitals of the CIS countries.

In the city markets of Russia, there was practically no change in prices over the week—the increment amounted to 0.8 percent. In cities of the Volgo-Vyatskiy, Central-Chernozem, Volga, and North-Caucasus regions, the rate of price growth decreased by 7-11 percentage points as compared with the previous week. There was practically no change in prices for meat products, potatoes, and vegetables in more than half the cities surveyed. While average prices across Russia in the city markets were higher than in the retail trade, for meat products—50-60 percent higher, for dairy products—by a factor of 2-3.

	Grade 1 beef	Butter	Milk	Sugar	Potatoes
	(in rubles per kilogram, per liter)				
Yerevan	650	1,200	80	300	70
Minsk	110	240	6	120	39
Alma-Ata	341	326	30	196	30
Bishkek	-	617	23	230	32
Chisinau	550	860	3	73	32
Moscow	523	947	58	214	37
Dushanbe	180	509	6	175	22
Ashgabat	60	60	2	15	25
Tashkent	80	180	10	45	28

Since the beginning of the year, knitted articles and garments, footwear, and cultural and domestic use products became 40-50 percent more expensive. Prices for certain nonfood products as of 9 February were as follows: ladies' overcoat—R12,700, dress—R7,700, color television set—R105,400, refrigerator—R101,900.

City and Suburban Transportation

Over seven days—during the period 1 through 7 February of this year—over 15 percent of the scheduled trips in passenger ground transportation were not completed in 32 percent of cities (capitals of republics, kray and oblast centers). Applicable data for certain cities are as shown below.

	City transportation trips scheduled but not completed	
	Number	Percent
Cities in which 30 percent or more scheduled trips were not completed		
Groznyy	8,900	47
Astrakhan	9,900	39
Gorno-Altaysk	800	34
Makhachkala	4,800	32
Cities in which 20 to 30 percent of scheduled trips were not completed		
Moscow	228,300	28
Tver	8,100	26
Rostov-on-Don	31,100	24
Smolensk	5,200	24
Yuzhno-Sakhalinsk	1,600	24
Kaliningrad	5,100	22
Petropavlovsk-Kamchatskiy	3,800	22
Cherkessk	900	22
Vladikavkaz	5,200	21
Elista	1,500	21
Ufa	11,300	20
Cities in which 15-20 percent of scheduled trips were not completed		
Kyzyl	600	18
Voronezh	15,900	17
Novosibirsk	13,200	16
Ivanovo	7,600	16
Khabarovsk	4,500	16
Ulan-Ude	3,600	16
Tula	8,400	15
Orenburg	8,100	15
Blagoveshchensk	4,700	15

The most unsatisfactory performance with regard to suburban bus transportation this week was observed in Grozny (where 81 percent of scheduled trips, 1,000, were not completed), Makhachkala (58 percent, 1,400), Rostov-on-Don (27 percent, 1,100), and Novosibirsk (21 percent, 900).

The greatest number of canceled trips by suburban electric train over the period 1 through 7 February was observed in Orel (14 trips, 12 percent of those scheduled), Chelyabinsk (29 trips, 7 percent), Volgograd (35 trips, 4 percent), and Yekaterinburg (28 trips, 4 percent).

Construction

The situation at the start of 1993 with respect to formation of investment programs and workload of construction collectives for the current year remains adverse. The agreed-upon construction drive is essentially not being carried out due to the uncertainty of financing from centralized sources and funds from enterprises and client organizations in connection with exacerbated inflationary processes.

We continue to see destruction of the maneuverability of the construction complex along the horizontal axis as well. Joint-stock companies are exerting no influence on the construction situation. The mid-level management echelon (territorial construction associations, central administrations) has been almost totally eliminated. Trusts and other organizations on their level are being eliminated in many territories. Under these conditions, many facilities of the production base of the construction complex are being sold at low prices. Thus in Novgorod Oblast, the unfinished construction of the plaster partitions shop was sold, as were the unfinished shop for production of lightweight aggregate concrete blocks and production base of the Novgorod Reconstruction Trust of the former concern Rossevizapstroy to a branch of the joint-stock company Riga-Nams.

In all, 326 unfinished construction projects and enterprises were sold in 1992 for a total amount of R2.6 billion. More than half of the facilities sold were categorized as municipal property (56 percent), 38 percent—state property of territories of the Russian Federation, and only 6 percent—federal property.

The largest quantity of facilities sold are attributable to Moscow's share—85 (26 percent of the total number), their redemption value coming to R1.0 billion. In 24 territories, work to materialize unfinished construction projects was not begun.

In the overwhelming majority of instances, facilities in the social sphere are being sold (74 percent of those sold), and almost every other one is in the category of trade or public kitchens.

Of 326 unfinished construction facilities sold, 295 (90 percent) were newly erected projects, and 219 of these were temporarily closed down at the time of sale. More

than three-fourths of the facilities were closed down due to a lack of finances for continuing the construction.

[begin box] There have been cases where facilities are sold at which construction has not begun, where expenses for the unfinished project consisted only of exploratory and design work and allocation of land for the project. This practice was noted mainly in the city of Moscow, where 14 such projects and the allocated land parcels in prestigious areas of Moscow were sold for just R70 million total. [end box]

Work has not begun in the localities on organizing open investment trading sessions or auctions on a competitive basis. Substituting for these, as a rule, are closed buy-sell transactions between buyer and seller. Half of the facilities were sold at the original price because of this, and the remainder showed a minimal difference between original and final sale price.

Foreign Trade

[begin box] In January 1993 Russia's foreign trade turnover amounted to \$3.152 billion, a decrease of 32 percent as compared with January 1992, including exports amounting to \$2.201 billion (12-percent decrease) and imports of \$951 million (56 percent decrease). [end box]

Russia had a positive foreign trade balance in January 1993 in the amount of \$1.250 billion (in January 1992 there was a positive balance of \$318 million).

Some 6.0 million tonnes of petroleum (166 percent of the level of January of last year) were exported over the past month, 8.4 billion cubic meters of natural gas (125 percent), 703,000 tonnes of petroleum products (74 percent), 81,000 tonnes of coal (23 percent), and 312,000 tonnes of mineral fertilizers (56 percent). Exports of unprocessed timber, ferroalloys, and aluminum rose as compared with January of last year. There was a decrease in export shipments of iron ores and concentrates, coke and semi-coke, ammonia, sawn lumber, and cast iron.

[begin box] Exports of machinery, equipment, and transportation vehicles amounted to \$94 million, a reduction of half. Some 65 percent of the total January 1993 export volume was attributable to energy resources, 4.3 percent—to machinery and equipment. [end box]

In January 1993 fresh-frozen meats were imported in the amount of 8,400 tonnes, or less by a factor of 4 than for January 1992; citrus fruit crops—6,200 tonnes (21 percent less); apple—700 tonnes (less by a factor of 5.3); grains—629,000 tonnes (less by a factor of 3.1); medicines—valued at \$22.5 million (less by a factor of 10); leather footwear—547,000 pair (less by a factor of 7). Sharp decreases were also seen in import purchases of poultry, butter, coffee, tea, vegetable oils, fabrics, and clothing. Amounts of sugar imported, including raw sugar, were 41,000 tonnes, an increase of 70 percent.

Imported machinery and equipment totaled \$276 million, a 2.2-fold decrease. Machinery and equipment accounted for 29 percent of the total volume of imports.

Russia's main trading partners in January 1993 were the industrially developed countries, with whom trade turnover amounted to \$1.904 billion, a decrease of 29 percent. Their share of the Russian trade turnover volume was 60 percent. Turnover with the former CEMA countries amounted to \$745 million, a decrease of 31 percent; with the developing countries—\$269 million (54 percent); with Yugoslavia, China, the Korean People's Democratic Republic, and Laos—\$234 million (27 percent).

In 1992, \$14.4 billion in foreign currency was deposited to the hard currency accounts of foreign economic relations participants, including \$11.0 billion from the export of production output and services. Over this period they spent hard currency in the amount of \$11.2 billion. Taking into account the remainder as of the beginning of 1992 (\$2.7 billion), the accounts of enterprises and organizations held \$5.9 billion in hard currency as of 1 January 1993.

AKKOR Congress, Leader Air Views, Assess Problems

AKKOR's Bashmachnikov Views Reforms

934K0348A Moscow KRESTYANSKAYA ROSSIYA
in Russian No 5, 13 Feb 93 p 1

[Article by Vladimir Bashmachnikov, AKKOR president: "A Farmer From a Test Tube?"]

[Text] As is well known, the "higher spheres" have several views of how private farming should develop further. At one time the Federal Center for Agrarian Reform established under Russian Federation Vice-President A. Rutskoy invited us to participate in the drafting of the state program for the development of agrarian reform.

In discussions with other participants in this work we upheld the view on private farming developed by our association's previous congress. We categorically do not agree with the elitist version of the establishment of private farms, the essence of which is as follows:

All the funds allocated by the state for private farmers, including preferential credits, are concentrated in the largest monopolized land bank subordinate to the state. The bank transfers the bulk of these funds to powerful commercial organizations and places orders at converted enterprises, while they overall equip farmsteads on a "turnkey" basis, then leasing them out to daredevil farmers with payment with products in instalments.

Of course, with such a version there will be no destitute farmers standing with outstretched hands at the doors of the Ministry of Finance. There will be few of them, but, on the other hand, true ones. There will be as many of them as the state pocket permits.

We often discussed this version with farmers during the year and some were prepared to receive such an expensive work place in ready form. Most often, however, farmers saw in this version a hidden trap and lifetime bondage to the builder owner. Most important of all, they saw in this version an obstacle to most peasants preventing them from testing their strength on their own field.

We propose that farm policy be based on a social approach, in which the creative person is the main factor, not on an engineering approach. The private farmer is an entrepreneur, not a hired worker. Let him with his own hands nurture, plan, build, and develop his farm as he sees it. We are advocates of a comparatively mass development of private farming, we are for natural selection. Incidentally, Minister of Agriculture Viktor Khlystun is in full agreement with us on this. He supports equal rights for all Russians to select the forms of management on land.

We came with such a position to our Fourth Congress, which was opened on 9 February.

Commentary on AKKOR Congress

934K0348B Moscow KRESTYANSKAYA ROSSIYA
in Russian No 6, 20 Feb 93 pp 1-2

[Article by Yelena Ishkova: "We Are Making a Noise, Fellows. Not For Nothing Are We Making a Noise"]

[Text] The past Fourth Congress of the Association of Peasant Farms and Cooperatives evoked contradictory comments. In their evaluations some newspapers and participants in the congress were ready to cite the immortal "We Are Making a Noise, Fellow, We Are Making a Noise." They said: So much effort and expense is not needed to talk once again about the troubles of free peasants and today no one will be surprised by requests for money addressed to the government. In the opinion of some eyewitnesses, the congress was reduced to this.

For example, farmer Fridrikh Timoshenko said in a reserved manner that the efficiency of the congress was not great. However, at least it was good that farmers had the opportunity to hear the "leadership's" opinion of themselves and to evaluate the positions. At the same time, Chernomyrdin both gained favor by promising support for private farmers and puzzled [the people] with his liking for sovkhoses and sovkhoses. Rutskoy stubbornly pursued his line for the establishment of a joint-stock state land bank. Khlystun, Agafonov, and other clever minds spoke.

On the other hand, farmers had the opportunity to express their attitude toward the positions of politicians and officials, which was also good. The participants in the congress did not at all appreciate the desire of the

same Aleksandr Rutskey to bestow favor on them by the establishment of a monopoly bank.

Viktor Chumak from Penza was much more categorical than his colleague. Farmers with a length of service do not need such congresses, because they do not touch upon the main problems. For example, no mention was made of any connection with point 10 of the government decree on measures of emergency support for the agro-industrial complex, which discusses a special fund for support for rural areas. Chumak believes that, giving kopecks from this fund, the state will take away thousands, because the proposed "agricultural tax" will be extended to rural producers.

Eduard Kostenko left the congress for Tver without the firm belief that land would not be taken away from him tomorrow. The question of exempting farmers' sons from military service, or replacing it with an alternative service on farms, which was important to him, was not raised. It looks as if two young workers in their association will be called up—there will be no one to work.

It is becoming ever more obvious that the contradiction lies in the very status of such an organization as AKKOR. It is unique. All kinds of unions of industrialists, entrepreneurs, lessees, and specialists in agrarian problems have nothing in common with it. Only AKKOR is simultaneously a public, professional organization and an economic one. Hence such a jumble of political and economic requirements both in the speeches of the participants and in the decisions of the congress.

Viktor Pashinin from Tambov tried to eliminate this duality. He called upon the congress to reserve purely political functions of a public organization to this organization and to establish an economic and financial formation under it. Some participants were ready to agree with the idea, when AKKOR President Vladimir Bashmachnikov made things clear: Such a duality is vitally necessary. If we are called a public organization, the government will allocate money through state structures. If we are called an economic organization, we will be forbidden to engage in politics and to defend farmers' interests. Therefore, Bashmachnikov explained, for now we are registered as a cooperative organization. However, since there is no law on cooperatives, the status will be vague. If there is a law, we will revise the charter; in brief, a distinctive AKKOR in a distinctive country.

I will not enumerate the decisions of the congress. They were quite specific and constructive as far as the status of the farmers' forum permits. I will share my impressions. After the Third Congress the farming movement grew noticeably, both numerically and intellectually. It would appear that during the year farmers understood who was who and the "process" of getting rid of big talkers and crooked politicians "was under way." Emotions began to be replaced with mature arguments. The inclination to fight gave way to the inclination to work. Of course, the congress did not directly affect the number of tractors or

the amount of seeds, brick, or gasoline available to farmers. All this will be only after government decrees. But, to be sure, the congress affected the fate of such decrees. They will be adopted.

Tools, Implements in Short Supply, Expensive

934K0348C Moscow SELSKAYA ZHIZN in Russian
20 Feb 93 p 2

[Article by Vladimir Sevastyanov: "Neither Shovels Nor Axes"]

[Text] I admit that Nikolay Ivanovich Malygin's letter put me in a difficult situation. To whom, to what body of authority, should I go with it? Who can know how many shovels, axes, rakes, hammers, forks, and vices are made in the country? No one. Local industry enterprises manufacture these so-called farm implements. Output is evaluated not in units, but in rubles: output worth such-and-such a sum was produced. But no one knows how many shovels, rakes, or hammers are squeezed into this sum.

However, in all fairness, we would like to note that during the recent period of stagnation in any city or village a person could always buy the implements that he needed. Even during the bumpy, phrase-mongering years of perestroika they lay on store counters. And the price was ridiculously negligible. Take them and dig, plane, and chop to your heart's content!

It was understood that even with 100-percent mechanization and automation of production one could not manage without shovels, axes, hammers, or forks. Today, as 100 and 1,000 years ago, the horticulturist, the gardener, and the owner of a farmstead always need them. Even in a city apartment these implements are needed constantly.

Believe it or not, this is what we have come to: they are not available. To where have they disappeared? Everyone has the right to ask this. But, oh, how difficult it is to answer this head-on question. Some, for example, V. Kunitsyn, our reader from Penza Oblast, is sure:

"The shortage is due to the fact that we constantly say one thing, but do another.

"The following trait is observed in our country: our leadership likes very much to talk with the people about their well-being. But they, the people, are becoming poorer and poorer."

Others, among them pensioner F. Andreyev from Chelyabinsk, believe that the chaos reigning in the country is to blame for everything. It runs the show.

"Everyone does what he likes. Shovels and axes have disappeared from the market. No one wants to make them. Everyone demands computers!"

One can enumerate for a long time all kinds of reasons for the decline in the production of ordinary horticultural-garden, carpentry, and other implements, but will not get to the main one anyway. I think that it lies in the fact that the concrete person with his needs and anxieties has disappeared without a trace from the plans of the present reshapers of our life. Concern for man and his well-being adds nothing to the pockets of various entrepreneurs, cooperative workers, privatizers, and capitalizers. And if this is the case, why engage in unprofitable business? This is how it is!

There is no exaggeration or slander in this. If one walks through the same Moscow, St. Petersburg, Novosibirsk, and other stores, one will be convinced. And so, Nikolay Ivanovich Malygin wrote everything correctly. He invented nothing.

I also followed his example and visited several Moscow farm stores. I was interested primarily in the availability of goods and their cost. And so, a store on Shestaya Kozhukhovskaya Street. There is a small selection of horticultural and garden implements. Shovels without handles cost 95 rubles and manual cultivators, 78 rubles. There are no rakes, forks, or axes. The salesmen told me that they were available very rarely. They cost 100 to 120 rubles.

Then I visited stores on Butyrskaya Street, Izmaylovskiy Prospekt, and Tsvetnyy Boulevard. The picture was approximately the same. There were few implements. The prices were exorbitant. I was struck by the fact that imported screw drivers were sold at 3,000 to 5,000 rubles each.

Yes, these everyday facts make one ponder. All right, our plants do not yet produce much small machinery. In order to saturate the market with it, it will be necessary to reequip production and to build new shops... But why are there no shovels, axes, forks, or rakes? After all, it seems that they have never been in short supply. The following thought involuntarily creeps in: Is this the life that we are building for ourselves and our children?

Federation Law on Fundamentals of Tax System

93SD0281A Moscow DELOVOY MIR in Russian
13 Feb 93 pp 11-12

[Changes and amendments to Russian Federation law, "On Fundamentals of the Tax System in the Russian Federation." Added text is presented in *italics*. Text deleted from original version is presented in brackets: [delete: "..."]]

[Text] On 22 December 1992, the Russian Federation Supreme Soviet adopted the law, "On Introducing Changes and Amendments to Certain Russian Federation Tax Laws." We are continuing the publication of these laws in their new edition. (Official publication: *VEDOMOSTI Russian Federation Congress of People's Deputies and Russian Federation Supreme Soviet 1992, No 11, p 527; In the edition of the RF law of 16 July 1992, No 3317-1,*

VEDOMOSTI Russian Federation Congress of People's Deputies and Russian Federation Supreme Soviet 1992, No 34, p 1976; in the edition of the RF law of 22 December 1992, No 4178-1.)

This law determines the general principles of the structure of the tax system in the Russian Federation, taxes, charges, duty, and other payments and also the rights, obligations, and responsibility of the taxpayers and tax authorities.

Chapter I

GENERAL PROVISIONS

Article 1. Establishment and abolition of taxes and other payments

Taxes, charges, duty, and other payments and also tax privileges for the taxpayers are established and abolished by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law.

Laws involving a change in the amounts of tax payments are not retroactive.

Organs of state power of national-state, national- and administrative-territorial formations may grant additional taxation privileges only within the limits of the sums of taxes credited to their budgets in accordance with Russian Federation legislation.

Article 2. The concept of tax, other payment and the tax system

By tax, charge, duty and other payment is understood the compulsory payment into the budget of the corresponding level or into an outside-of-budget fund by the taxpayers in the procedure and on the terms determined by legislative instruments.

The sum total of taxes, charges, duty, and other payments (hence forward, taxes) levied in the established procedure forms the tax system.

Article 3. Payers of taxes

Legal persons, other categories of taxpayers, and individuals who, in accordance with legislative instruments, are required to pay taxes are payers of taxes.

The payers of taxes specified in this article are hence forward called taxpayers.

Article 4. Requirement for registration of the taxpayer

Taxpayers are to be compulsorily registered with authorities of the State Tax Service of the Russian Federation (hence forward, tax authorities). Banks and credit institutions here open settlement and other accounts for the taxpayers only upon their presentation of a document confirming registration with a tax authority and notify this authority within a five-day period of the opening of the said accounts.

For failure to fulfill the indicated requirements, administrative fines are levied against managers of banks and credit institutions, in the amount of five times the amount of minimal monthly wage established by law.

Article 5. Taxable objects

Income (profit), the value of particular commodities, individual types of taxpayer activity, securities transactions, the use of natural resources, the property of legal persons and individuals, the transfer of property, the value added to a product, jobs of work and services, and other objects established by legislative instruments are taxable objects.

Article 6. The one-time principle of taxation

One and the same object may be subjected to tax of the same type only once in the taxable period determined by law.

Article 7. Procedure for establishing the tax rate

The rate of excise tax excepted, the rate of tax is established by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law.

Article 8. Procedure for approval of the rate of excise tax

The rate of excise tax on individual types and groups of commodities determined by the Supreme Soviet of the Russian Federation is approved by the Russian Federation Government.

Article 9. Distribution of the tax monies among budgets of various levels

Tax receipts are entered in budgets of various levels and outside-of-budget funds in the procedure and on the terms determined by the Supreme Soviet of the Russian Federation and other organs of state power in accordance with this law and other legislative instruments.

Article 10. Tax privileges

The following tax privileges may be established in the procedure and on the terms determined by legislative instruments:

- the general exemption limit for an object of tax;
- the exemption from taxation of particular components of an object of tax;
- the exemption from the payment of taxes of particular individuals or categories of taxpayers;
- a lowering of the rate of tax;
- deductions from tax (from the tax payment for the period of account);
- specific tax privileges, including tax credit (deferment of the collection of taxes);
- miscellaneous tax privileges.

All tax privileges are applied only in accordance with the effective legislation.

Granting of tax privileges which bear an individual character is prohibited, unless otherwise specified by legislative statutes of the Russian Federation.

Article 11. Obligations of the taxpayer

1. The taxpayer is required:

- to pay taxes in a timely manner and in full amount;
- to keep records and compile accounts of financial and economic activity, ensuring their safekeeping for no fewer than five years;
- to present the tax authorities with the documents and information necessary for the computation and payment of taxes;
- to rectify accounts in the amount of the sum total of concealed or underreported income (profit) revealed by audits of the tax authorities;
- in the event of disagreement with the facts set forth in the record of the audit conducted by the tax authority, to submit in writing explanations for the reasons for the refusal to sign this record;
- to comply with the requirements of the tax authority concerning the elimination of violations of tax legislation which have been revealed;

in the case of liquidation (reorganization) of a legal person at the decision of the owner (agency authorized by him) or at the decision of the court, to report to the tax authorities within a 10-day period regarding the adopted decision on liquidation (reorganization).

other requirements.

Obligations of a taxpayer arise when he has a taxable object and on the grounds established by legislative instruments.

For the purpose of determining a taxpayer's obligations, legislative instruments establish and determine:

- the taxpayer (taxable subject);
- the object and source of tax;
- the unit of taxation;

- the tax rate (rate of imposition of tax);
- the timeframe for the payment of tax;
- the budget or outside-of-budget fund in which the tax is entered.

2. The obligation of an individual to pay tax is terminated by his payment of the tax and the abolition of the tax and also by the death of the taxpayer, given the impossibility of the payment of tax without his personal participation, unless otherwise specified by legislative instruments.

3. The obligation of a legal person to pay tax is terminated by its payment of the tax or abolition of the tax. The impossibility of payment of tax constitutes grounds for recognition in the procedure established by law of the legal person engaging in entrepreneurial activity as bankrupt. In the event of the liquidation of a legal person in legal form or in accordance with a decision of the proprietor, the obligation in respect to payment of the tax arrears is entrusted to the liquidation commission.

4. In the event of a taxpayer failing to comply with his obligations, provision is made for compliance therewith by measures of administrative and criminal liability and tax penalties in accordance with this law and other legislative instruments and also a deposit of monetary and commodity-material assets and the surety or guarantee of the taxpayer's creditors.

Article 12. Rights of the taxpayer

The taxpayer has the right:

- to invoke privileges on payment of taxes on the basis of and in accordance with the procedure established by legislative statutes;
- to present to the tax authorities documents confirming his right to tax privileges;
- to familiarize himself with the records of an audit conducted by the tax authorities;
- to present to the tax authorities explanations in respect to the computation and payment of tax and in respect to audits which have been conducted;
- to appeal in the procedure established by law decisions of the tax authorities and actions of their officials and other rights established by legislative instruments.

Article 13. Liability of the taxpayer for a violation of tax legislation

1. A taxpayer who has violated tax legislation is liable in the instances established by law in the form of:

a) recovery of the sum total of the concealed or underreported income (profit) and the sum total of tax for some concealed or uncounted taxable object and a fine in the amount of that same sum, and upon a repeat offense, the corresponding amount and a fine double this sum. If

the court establishes the deliberate concealment or underreporting of income (profit), a fine five times the amount of the concealed or underreported amount of income (profit) paid into the federal budget may be imposed by verdict or ruling of the court in respect to an action brought by the tax authority or the prosecutor.

[Delete: "b) a fine in the amount of 10 percent of the amounts of tax owing for the last accounting quarter directly preceding the audit in respect to each of the following types of violations:

- absence of records pertaining to a taxable object;
- maintenance of records of a taxable object flagrantly in violation of the established procedure entailing the concealment or lowering of the amount of tax for the auditing period of not less than five percent of the amount of tax due for the last reporting quarter;
- nonpresentation or the tardy presentation of documents necessary for the computation and payment of tax;"]

b) a fine for each of the following violations:

—absence of records on taxable objects and maintenance of records of a taxable object in violation of the established procedure, entailing the concealment or underreporting of income for the audit period—in the amount of 10 percent of computed sums of tax;

—non-filing or late filing with the tax agency of documents necessary for the computation, as well as for the payment of tax—in the amount of 10 percent of the sum of tax payable at the regular term;

c) the collection of a penalty from the taxpayer in the event of late payment of tax in the amount of [delete: "0.2"] 0.3 percent of the unpaid amount of tax for each day of default in payment as of the established date for payment of the amount of tax shown to be in default, unless other amounts of the penalty are specified by law. Exaction of the penalty does not exempt the taxpayer from other types of liability;

d) other sanctions specified by legislative instruments.

Arrears in respect to taxes and other compulsory payments and also the amounts of fines and other sanctions specified by legislation are exacted from legal persons compulsorily, and from individuals, in legal form. Arrears are exacted from individuals on the income they have received, and in the event of the absence of such, on these persons' assets.

2. Administrative, criminal, and disciplinary proceedings are instituted in the procedure established by law against officials and citizens guilty of a violation of tax legislation.

3. The forms of responsibility specified by this article in respect to the given tax are not applied to legal persons and individuals who have been exempted from payment of the tax.

Article 14. Rights of the tax authorities and their officials

1. The tax authorities have the right:

a) to petition in the established procedure for a ban on entrepreneurial activity;

b) to bring suit in a court of law or court of arbitration:

—for the liquidation of enterprises on the grounds established by legislation of the Russian Federation;

—for the recognition of deals as null and void and the recovery as state revenue of the sum total obtained in respect to such deals;

—for the recovery of sums acquired unjustifiably not from a deal but as a result of unlawful actions;

for the recognition of enterprises as being invalid in cases of violation of the established procedure for creation of an enterprise or non-compliance of constituent documents with the legislative requirements, and for recovery of income obtained by these enterprises;

c) other rights specified by legislation.

2. Officials of the tax authorities have the right in the procedure established by legislation:

a) to inspect all documents connected with the computation and payment of taxes and to obtain the necessary explanations, information and data on questions arising at the time of audits;

b) to examine all production, warehouse, commercial and other premises of the taxpayers used to derive income (profit) or connected with the custody of taxable objects, regardless of their location. In the event of an individual refusing to admit officials of a tax authority to examine premises used to derive income (profit) or of his failure to present the documents necessary for the calculation of taxes, taxable income is determined by the tax authorities on the basis of income from similar types of entrepreneurial activity;

c) to suspend taxpayers' transactions in respect to accounts in banks and credit institutions in instances of the nonpresentation of documents connected with the computation and payment of taxes;

The rights specified in subpoints "c" and "d" of the present point are granted to directors and deputy directors of state tax inspections, and are realized by means of adoption of appropriate decrees.

d) to impose on the managers of banks and credit institutions and also financial bodies administrative fines in the event of a failure to comply with the instructions of the tax authorities;

e) to confiscate from the taxpayers documents testifying to the concealment or underreporting of income (profit) or the concealment of other objects from taxation with the simultaneous inspection of the documents and determination of their content;

f) to obtain without remuneration from all legal persons the data necessary for the computation of the payers' tax payments;

g) other rights specified by legislative instruments.

Article 15. Obligations of banks, credit institutions, and enterprises

Banks, credit institutions, exchanges, and other enterprises are required to present to the appropriate tax authorities data on the financial and economic transactions of the taxpayers who are clients of these institutions and enterprises in the past fiscal year in the procedure established by the Ministry of Economy and Finances of the Russian Federation.

In the event of a failure to present such data, the managers of the said institutions and enterprises are held administratively liable in the form of a fine in the amount of five times the minimum monthly remuneration established by law for each week that they are in default.

Banks and credit institutions are prohibited from delaying compliance with taxpayers' instructions for the transfer of taxes to the budget or an outside-of-budget fund and from using the amounts of tax not transferred as credit resources. In the event of the establishment of such facts, the tax authority exacts the income received by these institutions as federal budget revenue, with the managers of these institutions being held administratively liable in the form of a fine in the amount of five times the amount of the minimum monthly remuneration established by law.

In the event of the noncompliance (delayed compliance) through the fault of a bank or credit institution with a taxpayer's payment instruction, a penalty on the order of 0.2 percent of the unpaid amount of tax is exacted in the established procedure from this institution for each day that it is in default as of the established data for payment of the ascertained amount of tax which has been held back. The imposition of a penalty does not exempt the bank or credit institution from other types of liability.

Enterprises are required to correctly withhold tax on income which they pay to individuals and opportunistically transfer the amounts withheld to the treasury. In the event of a failure to comply with the said requirements, [delete: "these enterprises are held liable in the procedure established by legislative instruments of the Russian Federation."] *the managers of these enterprises are held administratively responsible in the form of a fine in the amount of five times the amount of the minimal monthly remuneration established by law.*

The enterprises must, prior to the payment due date, submit a payment authorization to the appropriate banking institutions for transfer of taxes to the budget or to out-of-budget funds. The indicated payment authorizations are fulfilled by the banks and credit institutions in first priority order.

No fees are collected for services provided to legal persons and individuals on such operations.

Article 16. Obligations and liability of the tax authorities

The tax authorities and their employees are required to preserve commercial secrecy and the secrecy of information concerning individuals' deposits and exercise other obligations specified by the [delete: "RSFSR"] Russian Federation law. "The State Tax Service of the [delete: "RSFSR"] Russian Federation."

Loss (including lost profit) caused the taxpayers as a consequence of the improper exercise by the tax authorities and their employees of the obligations entrusted to them is subject to restitution in the established procedure. In addition, the tax authorities and their employees may be held otherwise liable as specified by legislative instruments of the Russian Federation.

Each month, the tax authorities present to the financial agencies information on the actually received sums of tax and other payments credited to the budget.

The tax authorities, in conjunction with the finance agencies, implement control over fulfillment of the income portion of the budget.

Article 17. Defense of the rights and interests of the taxpayers and the state

The rights and interests of the taxpayers and the state are defended in legal form or otherwise as specified by legislative instruments of the Russian Federation.

Chapter II.

TYPES OF TAXES AND JURISDICTION OF ORGANS OF STATE POWER

Article 18. Types of taxes raised on the territory of the Russian Federation

1. The following are levied in the Russian Federation:

- a) federal taxes;
- b) taxes of republics within the Russian Federation and taxes of krais, oblasts, the autonomous oblasts and autonomous okrugs;
- c) local taxes.

2. The jurisdiction of the organs of state power when tax issues are being decided is determined in accordance with this law and other legislative instruments.

Organs of state power of all levels do not have the right to introduce additional taxes and mandatory deductions

which are not specified by Russian Federation legislation, nor can they increase the rates of established taxes and tax payments.

Article 19. Federal taxes

1. The following pertain to federal taxes:

- a) value-added tax;
- b) excise on individual groups and types of commodities;
- c) a tax on banks' revenue;
- d) a tax on the income from insurance activity;
- e) a tax on exchange activity (exchange tax);
- f) a tax on securities transactions;
- g) customs duty;
- h) allocations for the reproduction of the mineral-raw material base paid into a special outside-of-budget fund of the Russian Federation;
- i) payments for the use of natural resources entered in the federal budget, the republic budget of a republic within the Russian Federation, kray and oblast budgets of krais and oblasts, the oblast budget of the autonomous oblast, okrug budgets of the autonomous okrugs and rayon budgets of rayons in the procedure and on the terms specified by legislative instruments of the Russian Federation;
- j) income tax (profits tax) from enterprises;
- k) income tax from individuals;
- l) taxes serving as the sources of the formation of highway funds paid into these funds in the procedure determined by legislative instruments concerning highway funds in the Russian Federation;
- m) stamp duty;
- n) [delete: "stamp tax"] state duty;
- o) a tax on property transferred by way of inheritance and deed of gift.

p) a fee for using the names, "Russia," "Russian Federation," and words and word combinations based on them.

2. All sums of receipts from the taxes specified in clause 1, subclauses "a" - "g" and "p" of this article are paid into the federal budget.

3. The taxes specified in clause 1, subclauses "j" and "k" of this article are control revenue sources, and the amounts of the allocations in respect to them paid directly into the republic budget of a republic within the Russian Federation, the kray and oblast budgets of the krais and oblasts, the oblast budget of the autonomous oblast, the okrug budgets of the autonomous okrugs and the budgets of other levels are determined upon the approval of the republic budget of a republic within the

Russian Federation, the kray and oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast, and the okrug budgets of the autonomous okrugs.

4. All sums of receipts from the taxes specified in clause 1, subclauses "m" - "o" of this article are entered in the local budget in the procedure determined upon approval of the corresponding budgets, unless otherwise established by law.

5. Federal taxes (including the extent of the rate thereof, taxable objects, and the payers of taxes) and the procedure of their payment into the budget or an outside-of-budget fund are established by legislative instruments of the Russian Federation and are levied throughout its territory.

Article 20. Taxes of republics within the Russian Federation and taxes of krays, oblasts, the autonomous oblast and autonomous okrugs

1. The following taxes pertain to the taxes of republics within the Russian Federation, krays, oblasts, the autonomous oblast, and autonomous okrugs:

a) a tax on enterprise assets. The sum total of payments in respect to the tax are entered in equal proportions in the republic budget of a republic within the Russian Federation, the kray and oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast, the okrug budgets of the autonomous okrugs, and the rayon budgets of the rayons and city budgets of the cities in accordance with the location of the payer.

b) forest revenue;

c) the charge for water drawn by industrial enterprises from water-management systems;

d) the fee for needs of educational institutions collected from legal persons.

The sums of payment of these collections are credited to the republic budget of the republic within the Russian Federation, the kray or oblast budgets of the krays and oblasts, the oblast budget of the autonomous oblast and the okrug budgets of the autonomous okrugs, and are used as special-purpose funds for supplemental financing of educational institutions.

2. The taxes specified in clause 1, subclauses "a," "b," and "c" of this article are established by legislative instruments of the Russian Federation and are levied throughout its territory. The actual rate of these taxes here is determined by the laws of the republics within the Russian Federation or decisions of the organs of state power of the krays, oblasts, the autonomous oblast, and the autonomous okrugs, unless otherwise established by legislative instruments of the Russian Federation.

The tax indicated in clause 1, subclause "d" of this article is established by legislative statutes of the republics within the Russian Federation, by decisions of the organs of state

power of the krays, oblasts, autonomous oblast and autonomous okrugs. The rates of this tax may not exceed the amount of one percent of the annual wage fund of enterprises, institutions and organizations located on the territory of the republics within the Russian Federation, krays, oblasts, autonomous oblast and autonomous okrugs.

Article 21. Local taxes

1. The following pertain to local taxes:

a) Tax on the assets of individuals: The sum total of payments in respect to the tax is entered in the local budget in accordance with the location (place of registration) of the taxable object;

b) land tax: The procedure of payment of the receipts in respect to the tax into the corresponding budget is determined by land legislation;

c) registration fee from individuals engaging in entrepreneurial activity: The sum total of the fee is paid into the budget in accordance with the place where they are registered;

d) tax on the construction of production facilities in a resort zone;

e) resort tax;

f) a fee for the right to trade. The fee is established by rayon, city (without rayon division), rayon (in a city), community and rural [delete: "organs of state power"] *representative organs of power—the local Soviets of People's Deputies*. The fee is paid by way of the acquisition of a single-issue voucher or temporary patent and is entered in the corresponding budget in full;

g) special taxes on citizens and enterprises, establishments and organizations, regardless of their organizational-legal forms, for the support of a militia, the upkeep and tending of grounds, for needs of education, and other purposes.

The annual rate of the fees may not exceed the amount of [delete: "one"] *three* percent of the 12 amounts of minimum monthly remuneration established by law for an individual, and for a legal person, the amount of one percent of the annual payroll calculated on the basis of the amount of minimum monthly remuneration established by law.

The rate in cities and rayons is established by the corresponding [delete: "organs of state power"] *representative organs of power—the local Soviets of people's Deputies*, and in communities and rural localities, at meetings and assemblies of the inhabitants;

h) advertising tax: The tax is paid by legal persons and individuals advertising their wares at a rate not exceeding five percent of the cost of the advertising services;

i) tax on the resale of motor vehicles, calculating equipment, and personal computers: The tax is paid by legal persons and individuals reselling the said commodities at a rate not exceeding 10 percent of the sum total of the deal;

j) fee from dog owners: The fee is paid by individuals with dogs in cities (except official work dogs) in an amount not in excess of one-seventh of the amount of the minimum monthly remuneration established by law per annum;

k) license fee for the right to sell wine and vodka products: The fee is paid by legal persons and individuals selling wine and vodka products to the public in the following amounts—by legal persons, the amount of the minimum monthly remuneration established by law times 50 per annum; by individuals, the minimum monthly remuneration established by law times 25 per annum. Given the sale by the above from temporary outlets serving parties, dances, outdoor festivals and activities, half the amount of the minimum monthly remuneration established by law per day of trading;

l) license fee for the right to conduct local public auctions and lotteries: The fee is paid by their organizers in an amount not exceeding 10 percent of the value of the commodities declared for auction or of the amount for which the lottery tickets are sold;

m) charge for the issuance of an apartment voucher: The charge is paid by individuals when they obtain the right to take up residence in a self-contained apartment in an amount not exceeding three-fourths of the amount of the minimum monthly remuneration established by law, depending on the total area and quality of the residential accommodation;

n) parking fee: The fee is paid by legal persons and individuals for parking motor vehicles in areas specifically laid out for this purpose in amounts established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

o) a charge for the right to use local symbols. The charge is paid by the manufacturers of products on which local symbols (coats of arms, views of cities, localities, historical monuments and such) are employed in an amount not exceeding 0.5 percent of the cost of the product for sale;

p) fee for participation in horse racing: The fee is paid by legal persons and individuals entering their horses for contests of a commercial nature in amounts established by the local organs of state power on whose territory the racetrack is located;

q) tax on race winnings: The tax is paid by persons with parimutuel winnings at the racetrack in an amount not exceeding five percent of the total winnings;

r) tax on persons participating in parimutuel wagering at the racetrack. The tax is paid in the form of a percentage surcharge on top of the established wagering charge in an amount not exceeding five percent of this charge;

s) tax on deals struck at exchanges, except for deals specified by legislative instruments governing the taxation of securities transactions: The tax is paid by the parties to a deal in an amount not exceeding 0.1 percent of the sum total of the deal;

t) fee for the right to engage in motion-picture shooting and telephotography: the fee is paid by commercial motion-picture and television organizations making films requiring of the local organs of state administration organizational measures (assignment of militia details, the cordoning off of the shooting area and such) in amounts established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

u) charge for the cleaning of the grounds of localities: The charge is paid by legal persons and individuals (owners of buildings) in an amount established by the [delete: "local organs of state power"] *representative organs of power—the local Soviets of People's Deputies*;

v) fee for opening a gaming business (installation of gaming machines and other equipment with material or monetary winnings, card tables, roulette wheels and other gaming devices): The payers of this fee are legal persons and individuals who are owners of the said means and equipment, regardless of the place of their installation. The rate of the fee and the procedure for its collection are established by the *representative organs of power—the local Soviets of People's Deputies*;

w) tax on maintenance of housing fund and facilities in the social-cultural sphere in an amount not to exceed 1.5 percent of the volume of products (work, services) produced by the legal persons located on the corresponding territory;

Specific rates of the tax and the procedure for its collection are established by the representative organs of power—the local Soviets of People's Deputies

In computing the sum of this tax, exclusion is made for the expenditures of enterprises and organizations, computed based on standards established by the local Soviets of People's Deputies, for maintenance of the housing fund and facilities of the social-cultural sphere held on the balance sheets of these enterprises and organizations or financed by them in the order of share participation

2. The taxes specified in clause 1, subclauses "a" - "c" of this article are established by legislative instruments of the Russian Federation and levied throughout its territory. The actual rate of these taxes here is determined by legislative instruments of the republics within the Russian Federation or decisions of the organs of state power of the krays, oblasts, the autonomous oblast, autonomous okrugs, rayons, cities and other administrative-territorial formations, unless otherwise specified by a legislative instrument of the Russian Federation.

3. The taxes specified in clause 1, subclauses "d" and "e" of this article may be introduced by rayon and city organs of state power on whose territory the resort

locality is located. The sum totals of tax payments are entered in the rayon budgets of the rayons and the city budgets of the cities.

In a rural locality the sum total of tax payments is entered in equal proportions in the budgets of rural localities, communities, cities of rayon jurisdiction, and in the rayon budgets of rayons and kray and oblast budgets of krays and oblasts on whose territory the resort locality is situated.

The taxes and charges specified in clause 1, subclauses "h" - "u" of this article may be established by decisions of rayon and city [delete: "organs of state power"] *representative organs of power—local Soviets of People's Deputies.*

The sum total of payments in respect to the taxes and charges are entered in the rayon budgets of rayons and city budgets of cities or, in accordance with a decision of the rayon and city [delete: "organs of state power"] *representative organs of power—local Soviets of People's Deputies, in the rayon budgets of rayons (in cities) and budgets of communities and rural localities.*

5. *Expenditures of enterprises and organizations for payment of taxes and fees indicated in subclauses "g," "h," "n," "f," "u," and "w" of clause 1 of this article are related to financial results of the activity of the enterprises: of the land tax—to the production cost of the products (work, services), and other local taxes and fees are paid by the enterprises and organizations from the part of the profits remaining after payment of tax on profit (income).*

Chapter III.

FINAL PROVISIONS

Article 22. Procedure for the payment of taxes

The tax on the income (profit) of a legal person which is, in accordance with legislation, the source of several taxes is paid in the following procedure:

- all property taxes, dues and other payments are paid in accordance with legislative instruments;
- a taxpayer's taxable income (profit) diminishes by the amount of the taxes paid in accordance with paragraph two of this article, [delete: "after which local taxes payable from income (profit), if such are levied, are paid"] *after which local taxes are paid, whose payment expenditures, in accordance with point 5, Article 21 of the law, are related to the financial results of activity;*
- a taxpayer's taxable income (profit) diminishes by the amount of the paid local taxes specified in paragraph three of this article, after which all other taxes payable from income (profit) are paid;
- income tax (tax on profits) is paid from the income (profit) remaining following the payment of the taxes specified in this article.

Individuals pay taxes in the procedure established by legislation of the Russian Federation, *unless otherwise specified by law.*

Article 23. International agreements

1. The Russian Federation Government participates in the coordination of tax policy with the other states which are members of the Commonwealth of Independent States and also concludes international tax agreements on the avoidance (elimination) of dual taxation with the subsequent ratification of these agreements by the Supreme Soviet of the Russian Federation.

2. If international treaties of the [delete: "RSFSR"] *Russian Federation* or the former USSR establish rules different to those which are contained in legislation of the Russian Federation governing taxation, the rules of the international treaty apply.

Article 24. Control of the levying of taxes

Control of the correctness and timeliness of the raising of taxes for the treasury is exercised by the tax authority in accordance with the [delete: "RSFSR"] *Russian Federation* law, "State Tax Service of the [delete: "RSFSR"] *Russian Federation*" and other legislative instruments.

The period of limitation in respect to claims made against individuals for the recovery of taxes for the treasury constitutes three years. The compulsory procedure of the exaction of tax arrears from legal persons may be applied for a period of six years since the time of formation of the said arrears.

Postponements and installment plans for payment of taxes to the republic budget of the Russian Federation are granted by the Russian Federation Ministry of Finance, and for payments to other budgets—by the corresponding financial organs in accordance with the procedure specified by the legislation, with notice of the adopted decisions given to the tax authorities.

Article 25. Publication of methods guides

Sets of instructions and methods guides pertaining to the application of tax legislation are published by the State Tax Service of the Russian Federation upon concordance with the Ministry of Economy and Finances of the Russian Federation.

Article 26. Tax reform

The system of taxation will operate unchanged up to the adoption by the Supreme Soviet of the Russian Federation of a special decision on tax reform in accordance with the [delete: "RSFSR"] *Russian Federation* law, "Fundamentals of the Budget Arrangement and Budget Process in the [delete: "RSFSR"] *Russian Federation.*"

[Signed] B. Yeltsin, president of the Russian Federation
Moscow, House of Soviets of Russia
27 December 1991
No. 2118-1

Mafia Smuggles Illegals from Russia to West

934E0247A Moscow MOSCOW NEWS in English
No 8, 18 Feb 93 p 12

[Article by Igor Baranovsky: "Smuggled Foreigners": "Over 250,000 Foreigners Have Been Shipped to Western Europe and America in Recent Years Through Russia"]

[Text]

Not Everything Is Quiet in the State of Denmark

There was a minor commotion in the Russian Foreign Ministry at the end of 1992. It all started with a not quite usual verbal note from the Danish Embassy. It concerned something that would be unthinkable before. On a dark, foggy night a vessel without identification marks had landed on the Danish island Bornholm 129 Kurds and... evaporated. The detained Kurds had neither passports nor, naturally, entry visas. The only thing they possessed was an ardent desire to change climate and to settle in the prosperous, although coldish country. It transpired that the passportless people found themselves on the practically uninhabited island after a long and dangerous itinerary: Iraq, Jordan, Turkey, Moscow, Tallinn, and Bornholm.

It also transpired, however, that the Danish incident is by no means unique. The immigration services of the USA, Canada, Finland, Sweden and Norway have more than once expressed their resentment in connection with uncontrolled movement of foreigners inside Russia and their departure from it. In one case an attempt was made to airlift by helicopter visaless Indians from the territory of the former USSR to Germany. More than once the penetrability of our borders was checked by groups of 30-40 Pakistanis, Kurds and Assyrians who tried to enter neighboring states along smugglers' paths, but were staunchly rebuffed by Polish, Hungarian and Finnish border guards.

The Great Migration

When we removed from our door a monstrously heavy padlock which locked our borders for 70 years we forgot to put in its place at least a latch. This negligence will evidently cost dearly both to us and our neighbors.

Specialists of the Russian ministries of Security and the Interior say that this great migration may lead in the very near future to major international complications. In 1992 Germany alone received about 440,000 foreigners requesting to be granted the status of a political or economic refugee. More than half of them had entered Germany illegally, and some were from Russia. It is even easier to enter Russia.

To Enter Russia

It may seem strange, but this new business is commanded by people from South-East Asia and Iraq who have built a real network of agents on Russia's territory.

The numerical strength of this international syndicate is variously estimated at two to five thousand. There is good reason to believe that among its members are, along with foreigners, also, Russian border guards, employees of Aeroflot and of consular offices. But all important reins of smuggling people are firmly held by foreigners.

The Security Ministry knows that this business, like any other solid undertaking, has a rigid organizational structure. Hundreds of recruiters in Karachi, Madras, Calcutta, Katmandu and Colombo knock together groups of their fellow countrymen wishing to settle in Western Europe and America. Then they are shipped to Russia on private invitations and with forged visas. They pay 500-1,000 dollars for the right to enter Russia as tourists. This isn't hard to do, since the Russian consular service has registered 788 tourist firms which have the right of visa support. Some of them participate, sometimes unwittingly but very often quite willingly, in the streamlined process of smuggling foreigners.

The same vigorous work as in South Asia is going on in the Middle East. Damascus is the center of this activity where Iraqis, Iranians, Kurds and Assyrians are provided with false passports and Saudi Arabia, Bahrain, Tunis and Morocco remove the danger of detention at border checkpoints and, of course, with Russian visas. Sometimes they are false, and sometimes real ones can be obtained for 300-700 dollars. This practically opens the road to Russia.

A Leap to Europe

It is much easier, of course, to enter Russia nowadays than to leave it for the West. But one can very well try to perform the intricate operation on payment of another 2,500-3,000 dollars. This sum is ridiculously small by Western standards. This is guaranteed to the countrymen at home by "recruiting sergeants" from the international people-smuggling syndicate. Its agents take over foreigners smuggled into Russia. All this takes time. But rich "travellers" can always raise rates to 5,000-10,000 dollars to speed things up and so have to stay in Russia for only 2-3 weeks.

Since most phony travellers have no money to give large bribes many of them who have entered Russia became "illegals" who live with expired visas or even without any documents, awaiting the happy chance to go abroad.

But these figures are arbitrary, since there can be no reliable statistics in such a delicate matter. They are waiting for a courier who will bring from Hong Kong, Calcutta or Damascus forged passports and visas which are usually manufactured abroad. Once such liaison man was recently detained on his way from Moscow's Airport Sheremetyevo-1 to St. Petersburg. He was a citizen of Sri Lanka and his alleged name was Rajin. His voluminous

leather bag contained about 30 blanks of foreign passports and several dozen visa blanks—German, Norwegian, Danish and Swedish and also many stamps and clichés necessary for turning the blanks into “genuine” documents. Rajin himself had permissions to enter seven or eight foreign countries with his documents.

Thus the arrest of just one messenger put off the stay in Russia for dozens of foreigners by many months. Thousands of them have to stay unwillingly in Russia for years.

A New Babel

If developments continue at such a rate, says Colonel Igor Khromov, head of the 12th division of the Main Department of Criminal Investigation of the Russian Interior Ministry, Moscow will soon have Somalian, Indian and Chinese quarters, with all the ensuing consequences; increasingly more “illegals” unable to provide for themselves honestly will enter the criminal path.

The flood of visa-less foreign travellers brings also people with a very doubtful criminal past. For instance, 35 criminals were detained in the Russian Federation during a raid conducted by the Russian and Mongolian special services last year. All of them were hiding on our territory from the law enforcement agencies of the neighboring state. A unique episode for our investigators took place recently when three Chinese men took hostage in Moscow their fellow countryman, businessman U Shi Hi. They demanded that his wife pay 100,000 dollars for his life. All of them were arrested.

Drug traffic has also begun across Russia's territory via a living bridge. Natalya Voronina, deputy chief of the federal migration service of Russia, says that this causes grave concern on the part of her Scandinavian and German colleagues. There is evidence that the same well-trodden path is used to take to the West white slaves, i.e., girls of entertainment establishments.

Still another problem is the absence of elementary medical control of the health of people arriving in our country. When 240 Somalians living in the “Serebryanka” holiday home near Moscow were subjected to a medical checkup, ten were found to have tuberculosis, 14 a rare skin disease of tropical origin, three had galloping consumption, and four had just recovered from malaria. A few days ago a Sri Lankan suffering from AIDS was discovered at the Moscow satellite town Khimki. Two of his friends are now being examined. What is going on in the immense anti-sanitary cauldron in which “illegal” foreigners boil is possibly not known even to the Lord God himself...

Shall We Lock Up the Border Again?

The critical situation we have would certainly not be tolerated by any civilized country. But there seems to be no way out as yet. Shall we deport all foreign “illegals”? But who will bear the enormous cost? This operation will demand three to five thousand dollars per person, while

the illegals are numbered in hundreds of thousands. Another sad fact is that most states have no desire to take back their prodigal children.

Should we give it up as a bad job and grant the refugee status to the “illegals”? We could do so and thus doom ourselves to an enormous expense, especially since we joined the relative international convention in November 1992. But the trick is that very few foreigners cherish the idea, since all of them dream of going West. For example, Sergei Bushmarin, an employee of Russia's federal immigration service, has in his file not more than 100 applications for granting them the refugee status.

The border cannot be relocked, of course, but we will certainly have to put things right, says Sergei Boldyrev, deputy chief of the division of exit information of the Russian Foreign Ministry's consular service. A civilized state cannot do without effective control of entry and exit of foreigners. Suffice it to get acquainted with US experience.

Another measure that can be used is sharply to increase the responsibility of numerous Russian tourist firms for the false travellers they receive. Upon their arrival in Russia they usually dissolve in its limitless expanses. Detained would-be voyagers could be deported at the expense of these firms. By the way, the punishment in the United States for persons who deliberately help foreigners enter the country is a fine of up to 10,000 dollars. There is always someone to learn from how to handle such a situation, provided there is someone willing to learn.

MOSCOW NEWS File

The US immigration and naturalization service is registered in and is a part of the Department of Justice. It has the right to examine the question of foreigners' entry into the country even after he or she has acquired an entry visa and to interrogate suspicious people. It can arrest and search them without a warrant. Any immigrant can be sent out of the United States only because, in the opinion of the immigration service, he lacks sufficient moral qualities for living in America.

Whereas Russia's territory was, according to the Security Ministry, left by seven foreigners who had been registered but not recorded on their entry in 1991, there were 31 in the first six months of 1992 and 242,000 in the second half of that year.

The Federal migration service thinks that even more foreigners had penetrated Russia's air, maritime and land borders with false passports and visas. Approximate calculations show that there are not less than 150,000 such “illegals” in the country at present. All forecasts predict, unfortunately, that the process will gain momentum, since smuggling people across borders brings an immense profit.

There are in Moscow alone at least 120,000 “illegal foreigners,” of whom 30,000 are Sri Lankans, 15,000

Afghans, about 40,000 Iraqis, some 25,000 Indians and several thousand Somalians. They rent not less than 25,000-30,000 flats in the city and its environs.

Foreigners committed 531 crimes in Russia in 1992, which is 87 percent above the previous level. They account for 5 murders, 14 assaults with robbery, 26 robberies and 43 rapes. Most of these crimes (28 percent) were committed in Moscow.

Ministry Official Details Pension Issues

934K0480A Moscow LITERATURNAYA GAZETA
in Russian No 7, 17 Feb 93 p 10

[interview with L.S. Vulf, deputy chief of the Main Administration for the Organization of Retirement Benefit Servicing, the Russian Federation Ministry of Social Protection, by L. Velikanova; place and date not given: "Retirement Benefits: New Laws, New Questions"]

[Text]

[Velikanova] Retirees have begun to receive considerable retirement benefits compared to the old ones. They do not quite understand how these amounts are generated, what retirement benefits are due them at present, and why. Therefore, please begin at the very beginning: How is the new volume of old-age retirement benefits calculated for those who already receive them?

[Vulf] On 21 October 1992, the Law on Increasing State Retirement Benefits in the Russian Federation was adopted, in keeping with which the size of almost all retirement benefits increased by a factor of 2.5. Let me stress: For the first time, growth applies not only to minimum retirement benefits, but also to all others, including maximum retirement benefits.

[Velikanova] How is one to calculate his retirement benefits in order to determine what is due him effective 1 November 1992?

[Vulf] This is a very simple operation. He should take the retirement benefit actually received (for example, 1,450 rubles [R]) and multiply it by 2.5. It comes to R3,625. This is the new size of the retirement benefit due a given person effective 1 November 1992.

[Velikanova] What about the factor of 1.9?

[Vulf] The same law, dated 21 October 1992, provided that, beginning 1 February 1993, the minimum old-age retirement benefit, and on this basis—the maximum size of retirement benefits, will be increased once every three months, taking into account changes in the price index in the past quarter. That is to say, retirement benefits are being indexed in conjunction with the growth of the cost of living and inflation.

This norm has now already been implemented effective 1 February 1993. It was built on in the decree of the Russian Federation Supreme Soviet dated 15 January 1993: The minimum old-age pension increases by a

factor of 1.9, and correspondingly, all retirement benefits granted increase by a factor of 1.9.

Therefore, the retirement benefits which have just been increased under the 21 October 1992 law are being increased quite substantially yet again. A quite complicated calculation emerges, which a retiree indeed has difficulties sorting out, all the more so because the process of retirement benefit recalculation is very labor-intensive. It requires that quite a number of complicated operations be performed, quite a few of which cannot be automated. There are a number of provisions which are not to be automated. They necessitate a study of the records in the case file. These amounts are recalculated only manually. In Moscow alone, there are up to 60,000 case files which are not to be automated.

[Velikanova] What kinds of case files are these? I have noticed that from the very beginning you said "the size of almost all retirement benefits has increased by a factor of 2.5." What does "almost" mean?

[Vulf] Indeed, some retirees have found out that their retirement benefits increased somewhat more than by a factor of 2.5 or, to the contrary, somewhat less. Let us begin with the pleasant situation: The increment has turned to be weightier.

This is due to the fact that, until 1 November 1992, a temporary restriction of the maximum size of retirement benefits applied. It could not exceed two times the minimum, or 2.5 times the minimum for those who were employed in underground mining. Effective 1 November, the restriction was lifted, and a procedure established by the Main Law took effect: The maximum retirement benefits may come to three times the minimum retirement benefit (or 3.5 times for those employed in underground mining).

For example, the actual retirement benefit of a woman with a labor tenure of 20 years should have come to R2,000, whereas at one time, we restricted it to two minimum wages, which at the time was R900. That is, she received R1,800 rather than R2,000. What is to be done about this retirement benefit now? We remove the restriction, and make R2,000, rather than R1,800, the base of calculations: $R2,000 \times 2.5 = R5,000$. $R5,000 \times 1.9 = R9,500$. This, R9,500, is the retirement benefit this woman will be receiving now, effective 1 February.

[Velikanova] This is understood. The standard increments are by factors of 2.5 and 1.9. What are the exceptions from this?

[Vulf] Let me begin with the fact that the 21 October 1992 law resolved that the inflator coefficient of 2.9 for updating the salary for 1991, in the process of calculating retirement benefits, was understated. It was increased to 4.3. However, since it was recognized in the process that the coefficient was calculated erroneously, they decided to correct it effective 1 May, that is, the day on which coefficients were introduced initially, rather than in the future.

This meant that everything had to be recalculated in all cases in which 1991 earnings had already been calculated with a coefficient of 2.9. Naturally, this operation in no way fit within the automatic increase by 2.5.

Furthermore, many people filed for retirement benefits in 1992. Their earnings were not to be updated (increased by a factor of 2.5). Therefore, we could not just take retirement benefits which included 1992 earnings and multiply them by 2.5. We had to first perform all the necessary operations with coefficients for 1991, then inflate earnings over 4 years by a factor of 2.5, and only then add to them nominal 1992 earnings.

Many such cases have accumulated. About 2 million people retire every year in Russia. Naturally, these new grants include 1991 and 1992 earnings; therefore, there is still no dearth of manual work.

[Velikanova] Who was granted preferences under new legislation, and which preferences? Judging by the enumeration, there are quite a few categories.

[Vulf] Let us begin with the working people of rear areas. A bonus equal to 50 percent of the minimum old-age retirement benefit is established for them.

Minor-prisoners of concentration camps are a second category. A bonus to retirement benefits has also been established for them. The residents of Leningrad during the siege are the third category.

To be sure, there is yet another category of retirees who receive social benefits. There is a very difficult group among them—Category 1 individuals, handicapped from childhood on, and handicapped children. Effective 1 January 1993, an attendance allowance was introduced for them, similar to the attendance allowance for Category 1 disabled workmen. It comes to two-thirds of the minimum old-age retirement benefit, amounts to R2,850, and is paid effective 1 February 1993.

Besides, bonuses on top of retirement benefits increase in the cases of those to whom such bonuses have been granted before. For example, the retirement benefits of labor veterans were increased by 50 percent of the minimum wage, and now—by 100 percent. In addition, they have been increased for certain categories, for individuals subjected to unjustified reprisals for political considerations and subsequently exonerated (from 25 percent of the minimum old-age retirement benefit to 50 percent). The retirement benefits of Heroes of the Soviet Union, Heroes of the Russian Federation, and citizens decorated with three degrees of the Order of Glory are increased by 50 percent. However, this increment sometimes turns out to be less than 100 percent of the minimum old-age retirement benefit. This is why a guarantee has been introduced in this instance: If one's own retirement benefit turns out to be smaller, 100 percent of the minimum old-age retirement benefit is granted. A guarantee has also been introduced for the Heroes of Socialist Labor. Their retirement benefits are

also increased by 25 percent, but this bonus may not be less than 50 percent of the minimum old-age retirement benefit.

The same 50 percent of the size of the minimum retirement benefit has been introduced for the first time for those who served in the Army during the war years, but not with the fighting forces.

The retirement benefits of minor-prisoners of concentration camps, ghettos, and other incarceration facilities established by the fascists and their allies are increased by the same margin as those of war veterans—by 100 percent of the size of the minimum old-age retirement benefit. For the residents of Leningrad during the siege, it is 50 percent of the minimum size of the old-age retirement benefit.

Therefore, effective 1 February, a new size of the minimum retirement benefit is in effect—R4,275, given the necessary tenure. The same arrangement has been retained in full: If the tenure exceeds the one required, this minimum size is increased....

[Velikanova]by one percentage point a year?

[Vulf] However, by not more than a total of 20 percent.

This is to say that the minimum retirement benefit may range from R4,275 to R5,130. This is effective 1 February.

The maximum is still equal to three times the minimum retirement benefit—which will range from R12,825 to R15,390. Under List No. 1, the maximum size of retirement benefits comes to R17,955 (because 3.5, rather than three minimum retirement benefits apply in this case).

It would appear that everything is great. However, in all honesty, I am consumed by doubts. This has to do with the fact that we are indexing retirement benefits solely in conjunction with the growth of the cost of living, rather than in conjunction with labor tenure. This is why I would think that we should index by a greater factor the retirement benefits which do not ensure the subsistence minimum and doom retirees to living from hand to mouth.

Meanwhile, everyone got the 1.9 increment in our country. No matter how respectful I am of the categories of highly paid retirees, of those who receive retirement benefits equal to R15,000, I find it surprising that their retirement benefits also increased by a factor of 1.9. Meanwhile, those who receive the minimum retirement benefit of R2,250 are still left below the poverty line after the increase by a factor of 1.9.

Of course, all of these are meritorious people; of course, they need to be distinguished. I would very much not want someone to think that his retirement benefit is being encroached upon. However, I am just referring to indexation arrangements because we still have Category 2 handicapped as a result of work-related disability and

handicapped due to general diseases—this is a difficult group. Many of them are people who, unfortunately, became handicapped while still young, and who did not yet manage to get high salaries—and once again they are left with the minimum benefit of R4,275. All of this is peanuts for a handicapped person. This is why it appears to me that it would be more proper for indexation at greater rates to apply primarily to those who are in an absolutely bad situation because benefits are increased—I repeat—in conjunction with inflation, rather than labor.

[Velikanova] However, previously, in our earlier conversations, we raised the issue of the need to avoid leveling. After all, this is very important!

[Vulf] We should strive for a marked differentiation, and we should come to it, but...when we have regular development, when we are able to ensure a worthy life and a worthy retirement benefit even at the lower level through differentiation. In this case, let those who have worthily contributed to the development of society have very high retirement benefits; however, let those at the lowest level also be able to live worthily. Then it will be possible to discuss marked differentiation.

However, at present, when we are going through a crisis, when survival is at issue, the approach should be different.

An arrangement which would equalize all of us in a way, but would allow all of us to survive, would appear more reasonable to me in a period of a deep crisis. As I see it, the coefficient should be reduced somewhat with regard to high retirement benefits.

[Velikanova] For example, 1.6 rather than 1.9—is it so?

[Vulf] Indeed. Mathematicians, economists, and sociologists should get to work and calculate all of this. I am convinced that this arrangement needs to be revised promptly; legislative and executive authorities should work together, in tandem, and find an optimal solution. To my mind, this is necessary for the duration of the crisis.

[Velikanova] What is happening to those who have now begun the processing of their retirement benefits, for example, filed for them in January 1993?

[Vulf] Everything is normal in the case of those who filed in January, because we calculate the retirement benefit before 1 January and increase it by a factor of 1.9. The cases of those who retire after 1 February are somewhat more complicated. We take their earnings, and use an appropriate coefficient, unless it is for 1992. Subsequently, these earnings are increased by a factor of 2.5, and we calculate the retirement benefit. However, it is not increased by a factor of 1.9. Naturally, the benefit will end up being smaller than that of those retiring on the basis of earnings for the same period, but processing everything before 1 February.

At present, the Supreme Soviet is working very vigorously in order to introduce coefficients for these retirement benefits. A very short period of time will elapse, and this problem will be solved.

Standard of Living Endangers Health

934E0251A Moscow DELOVOY MIR in Russian
4 Mar 93 p 16

[Article by Yelena Yudina, candidate of economics: "Health Is a Category of the Economy"]

[Text] I remember the slogan of 1970's—"Protect your men!" At the same time, however, we were called upon to protect nature and grandmothers, save electricity, and be economical about the economy. Many people could not figure out how to protect all of these? And from whom? It was more or less clear about nature: Do not tread on, do not chop down, do not burn. But men? Expert explanations did not help either: they do not live as long as women, they get sick more often, they do not adapt as easily, and when they retire, then anyway... But nobody heeded the appeals and explanations.

We are now reaping the fruits of all this: The average life expectancy of a man at present is 63.5 years in the city and 61.7 in the village. Of all the people who are approaching working age now, only 70 percent will live to be 60 in the city and 60 percent in the village. It is a little better for women (their average life expectancy is 74.3 years in the city and 73.9 in the village), but their future cannot be called rosy either; they are better off because of their higher natural ability to adapt, but specific female diseases are added to their "all-human" ones.

So, either group has some disadvantages, but everybody loses. Even more so if you compare our situation to the countries with developed economies... The mortality rate among Russian men of working age exceeds the same rate for residents of those countries some two or three times, and is 1.5 times higher for women. Twice as many Russians die of cardiovascular diseases, 3.6 times more die of accidents. In this respect we have unfortunately caught up with America and surpassed it. Russians do not suffer from chronic diseases any less than Americans—cardiovascular and oncologic as well as what experts call sociopathic diseases: psychopathy, alcoholism, drug addiction. Nor do we lag behind in tendencies for antisocial and criminal behavior which, as everybody knows, lead to murders and suicides.

Generally, Russia is unique and unusual. We are ahead of other countries in chronic ailments but we cannot rid ourselves of diseases that are known mostly in developing countries—infectious, and parasitic diseases, traumas, poisonings, and even such "exotic" ones as scabies, pediculosis, and diphtheria. In principle, the latter was eliminated long ago, but it reminded us of its existence in 1991 with 13 cases per 1 million population (for comparison: the United States registers five or fewer such cases a year for the entire country).

Tuberculosis, the primary social disease, has been a cause of special concern among medical workers. At first glance, our situation with tuberculosis looks the same as the average in Europe. But on the one hand, Russia has a much higher number of serious cases of it leading to disability or death and, on the other hand, some population groups (convicts, homeless, minor ethnic groups) have a 23 times higher rate of tuberculosis than the rest of the population. In the United States, for instance, an active form of tuberculosis was first diagnosed in 24,000 people in 1991, while here it was 50,000 people. Besides, in almost one third of all those affected the disease has reached a rather neglected condition by the time it is diagnosed!

Accidents and injuries have become a major social problem. Apart from causing disabilities and loss of life (in 1991 alone 406,000 people suffered occupational accidents), they result in great economic losses. In 1991 they amounted to 9.8 million man-days. Their death rate is also high. In 1990, for instance, accidents, poisonings, and injuries killed about 25,000 men between 25 and 35 years of age. The total death rate for preretirement age is about 8 million years of work-capable life, 40 percent of which are caused by accidents.

Given such high rates of diseases, accidents, and mortality, our low percentage of disabilities is surprising to see. It is only three percent of the total population in our country, but 10 percent in developed countries. The crux of the matter is not that our people are healthier, of course. Even if we disregard our poorly organized record-keeping on the disabled or the difference in our criteria and foreign criteria allowing people to obtain disability benefits, if we just look at the structure of this group of people, the nature of this large discrepancy will become clear. About 80 percent of disabled in Russia belong to the 1st and 2nd categories. This means that people whose problems are comparatively not very serious try to avoid disability as they are afraid of lowering their social standing and material standards; the government is not too willing to assign the corresponding benefits, thus saving money.

This situation has resulted in an absurd situation: Life expectancy numbers are dropping and the number of disabled is going down, but the amount of people on temporary disability remains at the same level. People are simply afraid to call for a doctor and ask for medical help. This is especially true now when the Damocles' sword of unemployment is hanging over us and our medical care is switching to insurance.

The very term "medical insurance" often becomes synonymous with "paid medical care." But we need to talk about different aspects of medical care which should be paid for in some cases (provided by private and leased medical and other health care institutions) but also free for those who need it (but paid for by the government) when we mean emergency care, infectious diseases, health care for mother and child, and diseases that are considered socially dangerous in the entire world.

Until now our government has not overly burdened itself with concern for human health, the greatest social value. The share of gross national product assigned for the development of our health care dropped from 8-10 percent in the 1960's to 3-4 percent in 1991. The cost of health care in our country in 1980 was about 90 rubles [R] per person, the estimated cost in 1993 is R6,500 (in current prices).

We have to cite here comparable data for the United States where, from 1965 through 1990, health care costs grew from \$41.6 billion to \$666.2 billion or from 5.9 percent to 12.2 percent of GNP. As a result, the government alone spends \$2,566 per person a year, apart from the fact that medical insurance also has a long tradition there. Private industrial (and not only industrial) companies pay for the medical treatment of their employees and trade unions watch it strictly. Health care itself has become an active policy instead of a collection of slogans, and its importance is equally clear to the people, the government (statistical data show that Americans are cutting down on their consumption of alcohol and tobacco products), and public organizations. The latter are acquiring more and more influence in their fight for a cleaner environment and better living conditions, and contribute to increasing the life expectancy of Americans and improving their health.

But here, one out of every eight samples of tap water in large cities does not comply with bacteriological requirements, one out of every five is below chemical standards. The morbidity rate in many industrial cities which the WHO names the most polluted in the world is 1.7 times higher than in "clean" territories in Russia.

The quality of food in Russia is also below world standards. I would not even mention such things as variety and ecological purity of our food. Moreover, we receive 25 percent less quality protein and up to 40 percent less vitamins than necessary. This can mean only one thing—a threat to the nation's health and also to its gene pool.

In order to find a way out of this situation we need to have government programs for maintenance of people's health, which should include and preserve free medical care for the socially vulnerable groups of our population, and we need reliable figures. As you know, classifications of diseases, criteria of morbidity, and even mortality rates differ considerably in Russia from those accepted in the entire world. For this reason all our comparisons with other countries are tactless and our participation in the WHO "Health for Everybody" program seems rather doubtful.

1993 Unemployment Expected To Rise

934E02444 Moscow DELOVOY MIR in Russian
2 Mar 93 p 16

[Article by Aleksandr Semenov, Scientific-Research Economic Institute of the Russian Federation Ministry of the Economy: "The Higher the Inflation Rate, the Lower the Unemployment Level"]

[Text] As sociological surveys show, these days every one out of two employed people in Russia is concerned with the possibility of losing his job. Along with inflation, production decline, and the rising cost of living, unemployment is becoming one of the sorest spots in our economy. It is a well-known fact, however, that the aforementioned processes are closely interrelated; therefore, the only way to evaluate the state of affairs, and particularly to forecast the employment situation is to look at them all as a whole.

The postulate that operates in a stationary market economy is the so-called Phillips Curve, according to which the higher the rate of inflation is, the lower the level of unemployment. With some qualifications, the past year has confirmed its validity for our economy as well: With the annual rate of inflation of 2,600 percent, the official unemployment level as of the end of the year was only 0.8 percent of the total work force, while the number of employed in the national economy has fallen by 1.3 million people, or 1.8 percent.

The clearest picture of changes in the numbers and the structure of employment for the past year comes from the summary report on labor (see table 1), which incorporates in a comparable form about 85 percent of those employed in the Russian economy. According to this report, the number of those engaged in material production has dropped by 2.3458 million people, that is, by 5.4 percent. Keeping in mind that the national income produced has fallen by 20 percent, one may say that the productivity of public labor over the year has fallen by 14.6 percent. Our economy has never experienced such a drastic decline of labor productivity in peacetime. In 1992, the elasticity of reductions in the number of employed associated with the decline in the production volume was extremely low—for the national economy as a whole it was no higher than 0.1, and in material production and industry—0.27.

Is this good or bad? On the one hand, there was no catastrophic drop in employment and increase in open unemployment. On the other, the process of accumulation of hidden unemployment continued; its potential, in our estimates, by the end of the year amounted to 9.5 million people, having increased by more than 3 million people over the past year. This potential constitutes a heavy burden not only on the efficiency of labor, but it also contributes to the acceleration of the inflation spiral. In the event of a dramatic tightening of the anti-inflation policy, even without implementing structural changes in the economy, this excess labor force may in the next two years swell the labor market. Thus, one of the most important tasks for the government is to find an optimum solution between restraining the inflation on the one hand and the production decline and increased unemployment on the other; that is, measures aimed at the financial stabilization of the economy must be correlated with the employment policy. This, in turn, brings up the question of determining the level of unemployment that would be socially acceptable in the current circumstances.

In estimating this level, it is necessary to take into account the fact that over the next three to four years, unemployment will be caused first and foremost by the general production decline and the extremely low level of investment activities, that is, it will be stagnant. In these circumstances, a socially acceptable level of unemployment (calculated as annual average) should not exceed three to four percent of the total able-bodied population. This takes into consideration first and foremost with the population's extremely low standard of living (one-third of the population has an income below the minimum sustenance level), already as it is produced by two or more family members. Only when real structural changes begin (not earlier than 1996-1997); when new spheres of application of labor appear; when it becomes possible to regroup the labor force and to relatively quickly find employment for discharged workers, can the socially acceptable level of unemployment rise to six to seven percent.

It is hard to assume, however, that there had been at least somewhat purposeful direction in the processes of employees' discharge in 1992. This is evidenced by their dynamics both across the national economic macrosectors and, to an even greater extent, inside the most important sector—industry. First, this evaporates the myth of the nonproduction sphere as a potential sphere for applying the labor of workers discharged from material production. The only sectors where there has been a clear increase in employment were administration, finance, and state insurance (the latter is distinguished by the highest average wages); in absolute figures, however, this increase was unsubstantial. At the same time, the number of those engaged in science and science-related services has fallen sharply, which shows that the nation's intellectual potential is underused. The situation in health care has worsened dramatically—not from the standpoint of the number of employed, which has only fallen slightly, but from the standpoint of the wage level, which is next to last among all sectors. Given that the mortality in the country now has exceeded the birth rate, while the life expectancy is steadily falling, the situation in health care is certainly a cause for alarm. As to culture and arts, this sector is a traditional and unchallenged "leader" in the sense of its incredibly low level of labor remuneration.

The number of employed in industry has fallen by more than 1.1 million people, or by 5.2 percent. This sector is the main supplier of released labor. In our estimates, by the end of the year 50 percent of the unemployed were former industrial workers. At the same time, because of the high rate of production decline, hidden unemployment grew, which we estimate by the end of the year in the sector as a whole will reach 3.5 million.

While the decline in the production volume was more or less even across industrial sectors and with minor variations fluctuated between 18 and 25 percent, the dynamics of the number of the employed was sharply differentiated and often multidirectional. The machine-building and metalworking sectors were most sensitive

[Bekreneva] Are there similar organizations in other countries of the CIS? If so, do you discuss common problems together?

[Fedulova] A powerful women's movement is springing up in all countries of the former USSR, as in Russia. All have their own singularities, although there has been an equal deterioration in the position of women everywhere, and they are suffering the burdens of the transitional period far more severely than the men. The situation will only be changed slowly. And only by common efforts. This was the conclusion reached by representatives of women's organizations of the CIS countries at a meeting which was held recently in Moscow Oblast's Saltykovka. We have been bound for many years by friendship and mutual understanding. And we have now agreed to help one another, have outlined the reference points in our work, and will seek paths to a solution of women's problems together.

[Bekreneva] Do the women consider their union an authoritative organization?

[Fedulova] Evidently they do, since they are constantly writing and calling us. Look here, this sheaf of letters is just one day's mail.

It is large families that appeal for help most. You want to help and support, if not all, many of them. But how? We decided to invite to come and see us mothers and elder daughters. Lyubov Aksenova, head of the Lyubaks firm, taught them to cut and sew, and even gave them the cloth for this. When the classes were over, all left here with almost finished dresses and skirts.

Market economy courses for women and young ladies who would like to become involved in enterprise have already been instituted. Classes are given not only by Russian specialists, but also those from Australia, the United States, and Holland. The School of Aesthetics and Beauty, organized in conjunction with the Spanish Lady Anna firm, has begun work. The Women's Social Support Center, where it is possible to obtain legal advice and where the unemployed are retrained, is functioning. Vacancy fairs, which we hold together with Moscow's Labor and Employment Department, help women who have become "superfluous" on the labor market to overcome the psychological barrier. Very useful work. Women's unification for contacts and the solution of some common problems is simply essential.

[Bekreneva] Yes, of course. Particularly at a time when "the men have become like old ladies, and the women, almost the same as men." What, incidentally, in your view, is Russia's knowledge of the Convention Against Discrimination Against Women?

[Fedulova] The UN convention on the elimination of all forms of discrimination with respect to women is, perhaps, the sole document that has been signed by virtually all countries. It has been ratified by Russia also. But in the 10-plus years of declaration of rights to the world, not only have we made no progress on this issue, but we have

been sliding back by the day, losing even that little which we had. You see no women in parliament or the government. We see only the stronger half of mankind in numerous parties and movements. And the woman in business is a rarity. But in social life? The burden of representatives of the fair sex at work and in the home amounts to 76.3 hours a week: for men, on the other hand, 59.4 hours. You have recalled Yevtushenko's lines.... He is right—you necessarily become hardened.

[Bekreneva] Yet, I recall, there was a time when much was being said about an official women's program. Could it be adopted now, or only in the future?

[Fedulova] We are very good at talking, proclaiming, and promising. And, unfortunately, this talking shop substitutes entirely for us for real action. This has become part of our nature. For this reason, for the woman to expect something good from government would be absurd. Although there is a need for a precise, well-considered program of an improvement in the position of women in the country. After all, the list of our women's problems is long. It is sufficient to recall unemployment, where they are the first in line.

[Bekreneva] Can the union influence what is happening?

[Fedulova] Yes and no. We can change little, we can only call the attention of the government and the public to our problems. This has partly already been done. It was not without the union's insistence that there appeared the Department for the Problems of Women, the Family, and Children, in which we place great hopes.

[Bekreneva] God grant. But have you noticed that, despite certain government shifts, all of "women's policy" is built to men's taste? The word "women" has disappeared from the draft new Constitution altogether. This despite the fact that female Russian citizens constitute more than half of the population of Russia.

[Fedulova] Of course, it is deplorable when the country's future Basic Law says nothing about the equality of men and women. We have appealed to the president of Russia and the Constitutional Commission for the inclusion in this most important document of the article "Equality of Men and Women," and proposed the appropriate wording.

[Bekreneva] But perhaps this equality is not what is needed? Perhaps women should have their main purpose—being a mother, wife, and keeper of the domestic hearth—restored to them. Do you not at least sometimes of a morning want to spit on work, take your time, caress your child, knead dough, darn socks, or hem an apron, for which you simply do not have enough hands?

[Fedulova] You want to live a normal life, of course. But many of us are as yet "prisoners" of circumstance. Our husbands earn little, many drink, 7 million court orders are "making the rounds" of the country, and others have frankly grown lazy, and for this reason the present market has for a long time thrown them out of their

routine—shock! What is the woman to do? Let her decide herself what her main purpose is.

[Bekreneva] Unfortunately, you are right. And the birth-rate is now falling steeply. And what is it like for a mother to feel that her child is being short-changed? Young ones do not see candy and dolls, and schoolchildren, parental concern and attention (the adults are forever on the go), and the students live in poverty and, when necessary, "nibble at the granite of scholarship," lest they die of hunger, and become involved in the devil knows what....

[Fedulova] And it is, once again, all of us who are to blame. We have unthinkingly destroyed that which was good in our past life: We have done away with the system of preschools, children's camps, and after-school sports classes, and everything now costs big money.

There is the Children of Russia government program. The union has associated itself with its implementation. This is being expressed as yet in the handover free of charge of footwear, clothing, and medicinal drugs to needy families, children's homes, sick children, and single mothers, and the provision of medical institutions with medication and equipment. Of course, this is manifestly insufficient, but we are a voluntary organization. Funds and opportunities to prevent the presence in Russia of destitute children need to be found at the government level urgently.

[Bekreneva] Tell me, Alevtina Vasilyevna, do you like being chairman of the Women's Union?

[Fedulova] Yes, very much. I take great pleasure in my work. Although I do not overestimate my contribution to the solution of the "women's" question. We are more embellishing life here, for that matter, not really making it better.

[Bekreneva] What are Valentina Tereshkova and Zoya Pukhova doing now?

[Fedulova] Valentina Vladimirovna works in the Russian International Cooperation Association, and Zoya Pavlovna is retired.

[Bekreneva] And in conclusion—personal matters: What period of your life do you consider to have been the happiest?

[Fedulova] My youth, of course.... A time of love, hopes, plans.

[Bekreneva] Perhaps we women will, for all that, some day sigh with relief and be happy from cradle to grave and be esteemed not only on the day of 8 March.

[Fedulova] I would like to think so....

Dingo Flying Boat Goes Into Series Production

934E0221A Moscow KOMMERSANT-DAILY
in Russian 24 Feb 93 p 1

[Mikhail Sergeyev report: "An Aircraft for Oil Workers and Spies Has Been Put Into Production"]

[Text] Under conditions of an almost total freeze on state military orders, Russian aviation plants are trying to switch to commercial production of business and small transport aircraft, for which the market is almost empty. Yesterday at the Sokol aviation plant in Nizhniy Novgorod—one of Russia's largest series-production military aviation plants, the producer of the MiG-29 and MiG-31—an amphibious aircraft that employs the air-cushion principle went into series production. The new aircraft, which is distinguished by its safety and simplicity, can count on broad demand from local airlines.

The Dingo is flown by one pilot and can carry six passengers and 850 kilograms of freight. Its range is 900 kilometers. The aircraft is equipped with an M-601 engine (made in the Czech Republic), which in the export version is to be replaced by a similar engine from Pratt and Whitney (the United States). Cruising speed is 290 kilometers an hour. The 14-meter wing span enables the Dingo to land even if the engine malfunctions.

Transportation departments at oil and gas enterprises engaged in developing the Siberian deposits have already stated their readiness to buy the Dingo. American experts visiting the plant were also interested in the new aircraft; they evoked some suspicion in the Sokol director, Viktor Andryunin, who remarked that they "reminded him of CIA agents." The real or imagined attention from the intelligence services is explained by the original technical solution found by the aircraft's designers: instead of an undercarriage with wheels an air cushion is used, created by a special engine. With this support, which exerts very little pressure on the ground, the aircraft could even land in a mine field. Not to mention the fact that it takes off easily from uneven surfaces, from water, swamp, ice, or snow—an invaluable characteristic for use in sabotage operations but also not superfluous in conditions in which there is no infrastructure in some Russian provinces.

The Dingo is a key element in the start of the plant's program to produce new freight and passenger aircraft whose sale can compensate for the decline in military production. By 1993 the Sokol aviation plant in Nizhniy Novgorod will have lost 80 percent of its orders from the Russian Ministry of Defense for its main output—the MiG-31 air defense interceptor and the MiG-29 fighter. On the other hand, the product list of aircraft produced at the plant offers no justification for hoping for any significant growth in export earnings. The MiG-29 fighter is produced at the plant in the two-seater training version and export volumes are not great. The MiG-31 interceptors also cannot guarantee stable exports; they

are usually purchased only together with an entire standard Russian air defense infrastructure and this is now very costly and poses a difficult decision even for rich purchasers.

The cost of the aircraft is above \$100,000. The first Dingo aircraft will be fabricated by the end of the year and in all the plant plans to produce about 300.

Telephone number for the Sokol plant is (8312) 46-75-22

REGIONAL AFFAIRS

Yeltsin Edict on Presidential Representatives

934F0180A Moscow *FEDERATSIYA in Russian*
No 17, 13 Feb 93 p 3

[Edict of the President of the Russian Federation: "On the Representative of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St Petersburg"]

[Text] With a view to securing the unity of state policy in the activity of the organs of executive power of the Russian Federation and increasing the effectiveness of the cooperation of the federal organs of executive power with the organs of state power and the administration of krays, oblasts, autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg in questions of the realization of the provisions of the Federative Agreement, I decree:

1. To reorganize the institution of representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg in conformity with the provision about the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

To confirm the Statute on the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the cities of Moscow and St. Petersburg in accordance with the appendix.

To establish that the representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg are officials of the Administration of the President of the Russian Federation.

2. For the director of the Administration of the President of the Russian Federation within a 2-week term to submit proposals for the execution of the certification of representatives of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

3. The servicing of information, legal, financial, social, consumer, and medical needs of the representatives of

the President of the Russian Federation in krays, oblasts, autonomous oblast, autonomous okrugs, and the cities of Moscow and St. Petersburg is provided by the corresponding subdivisions of the Administration of the President of the Russian Federation.

4. To recognize as no longer valid the Edict of the President of the Russian Federation of 15 May 1992, No. 765, "On the Confirmation of the Statute on the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the cities of Moscow and St. Petersburg."

[signed] President of the Russian Federation B. Yeltsin
Moscow, Kremlin
5 February 1993 No. 186

Statute on Presidential Representatives

934F0180B Moscow *FEDERATSIYA in Russian*
No 17, 13 Feb 93 p 3

[Statute "On the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St. Petersburg", approved by Edict of the President of the Russian Federation of 5 February 1993, No 186]

[Text]

On the Representative of the President of the Russian Federation in the Kray, Oblast, Autonomous Oblast, Autonomous Okrug, and the Cities of Moscow and St. Petersburg

1. General Provisions

1.1. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg is an official who represents the President of the Russian Federation in the corresponding territory.

1.2. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg is subordinated to the President of the Russian Federation and is appointed to office by the President of the Russian Federation upon recommendation of the Director of the Administration of the President of the Russian Federation.

1.3. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg carries out his powers in accordance with the Constitution of the Russian Federation, the laws of the Russian Federation, the edicts and orders of the President of the Russian Federation, and the present Statute.

1.4. The activity of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and

St. Petersburg is coordinated and secured by the Directorate of the Administration of the President of the Russian Federation in regard to work with the territories, the representatives of the President of the Russian Federation, and relations with the Supreme Soviet of the Russian Federation.

1.5 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg may not be a member of political parties and mass public-political movements, may not hold any posts in state organs, organs of local self-government, enterprises, institutions, and organizations, and does not have the right to entrepreneurial activity. The representative of the President of the Russian Federation has the right to be engaged in scientific, pedagogical, and creative work.

2. Powers of the Representative of the President of the Russian Federation

2.1 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg:

a) represents the President of the Russian Federation in relations with the organs of state power and administration, local self-government, public organizations, enterprises, organizations, institutions, military formations, and citizens in the corresponding territories;

b) promotes the implementation of edicts and orders of the President of the Russian Federation and decrees of the Government of the Russian Federation. He has the right to monitor the activity of the organs of executive power in regard to the indicated acts in the territory in accordance with the Federative Agreement;

c) coordinates the activity of the territorial services of the federal organs of executive power;

d) submits to the President of the Russian Federation analytical and other information about economic, social, and political processes in the territory and introduces corresponding proposals;

e) introduces in the corresponding organs of state power and administration representations about violations of the Federative Agreement, edicts and orders of the President of the Russian Federation, and decrees of the Government of the Russian Federation, and in necessary cases informs the organs of the procuracy about this. The indicated representations are examined by the corresponding organs of executive power within a 10-day period;

f) has the right to introduce proposals for the appointment to and dismissal from office of the directors of the territorial services of the federal organs of executive power in the corresponding territory;

g) has the right to inquire and to receive from state organs, enterprises, organizations, and institutions the necessary information, documents, and materials;

h) has the right to take part in the work of the organs of executive power and to be present at sessions of the representative organs of power of the corresponding territory;

i) on separate instructions of the President of the Russian Federation, exercises other powers.

2.2. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg does not have the right to interfere in the operational activity of the organs of executive power, associations, enterprises, and organizations, to issue decisions subject to mandatory execution, besides decisions in regard to the organization and activity of the apparatus directly subordinated to him.

3. Responsibility of the Representative of the President of the Russian Federation

3.1 The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg may be dismissed from office for non-execution or improper execution of the Constitution of the Russian Federation, the laws of the Russian Federation, and edicts and orders of the President of the Russian Federation.

3.2 Prior to the submission of a decision about the dismissal from office of a representative of the President of the Russian Federation, the possibility of submitting written and oral explanations to the President of the Russian Federation is guaranteed.

Organization of the Activity of the Representative of the President of the Russian Federation

4.1. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg and his apparatus are part of the structure of the directorate of the Administration of the President of the Russian Federation for work with the territories, the representatives of the President of the Russian Federation, and relations with the Supreme Soviet of the Russian Federation. The numerical size of the apparatus of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg, the total wage fund, and the procedure for the financial, social, material and organizational-technical provision of the activity of the representative of the President of the Russian Federation and his apparatus are determined in accordance with the procedure established for staff members of the Administration of the President of the Russian Federation.

4.2. The Administration of the President of the Russian Federation effects the information and legal provision of the representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow and St. Petersburg.

4.3. The provision of the representative of the President of the Russian Federation and his apparatus with office and housing premises, transportation, means of communication, medical and social services is effected by the Administration of the President of the Russian Federation and the administration of the kray, oblast, autonomous oblast, autonomous okrug, and the cities of Moscow or St. Petersburg on the basis of agreements with the Administration of the President of the Russian Federation. The corresponding expenditures are effected through estimated expenditures of the Administration of the President of the Russian Federation.

4.4. The representative of the President of the Russian Federation in the kray, oblast, autonomous oblast, autonomous okrug and the cities of Moscow and St. Petersburg and his apparatus are placed in the corresponding territory.

Dudayev Favors Expansion of Presidential Powers in Constitution

934F0173A Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 pp 2-3

[Article by Timur Muzayev: "The Next Turn of the Political Crisis: The Deputies of the Parliament Have Accused General Dudayev of Preparing a Constitutional Coup"]

[Text] As before, Dzhokhar Dudayev, the president of Chechnya, has become the initiator of a new aggravation of relations in the corridors of power in Grozny. On 15 February, he published the edict "On the Conduct of a Survey of the Citizens of the Chechen Republic About Their Attitude to the Adoption of a New Wording of the Constitution", as well as the text of this new wording, which was prepared by the advisers of the president in secret—without the knowledge of the parliament and the public. In accordance with this edict, the conduct of a poll in support of the new Constitution of Chechnya submitted by the president is proposed for today (19 February). Naturally, the presidential wording of the Basic Law proposes a substantial expansion of the powers and rights of the president himself and at the same time significantly reduces the prerogatives of the parliament.

In his appeal to the citizens, General Dudayev called for the support of the new wording, since, in his opinion, it will help to "delineate precisely the powers of legislative and executive authorities, as well as remove the shortcomings of the parliament, which "is an inadequate reflection of the social and nationality composition of the republic." Local observers note that in this case, if the new Constitution of the Chechen Republic is

adopted, General Dudayev will become the sovereign ruler of the republic, and only decorative functions will remain for the legislators.

The deputies of the parliament spoke out sharply against the initiative of the president. On 14 February, the leader of the parliamentary group "Bako" ("Law") and chairman of the Committee of the Parliament for International Relations, Yusup Soslambekov, who is at the same time the head of the parliament of the Confederation of the Peoples of the Caucasus, in his speech on local television called the forthcoming poll of the population the preparation of a coup d'état through a change in the constitutional order of the republic and said that the president is trying to take all power into his hands. Some deputies of the parliament have expressed their indignation about the fact that through his edict, General Dudayev is violating the presidential oath, in which he promised to defend the existing Constitution of Chechnya, and they reminded him that parliament has the right to dismiss the president from office for unconstitutional actions.

On 15 February the conference of the heads of the administrations of the Chechen Republic assessed the action of the president as "an attempt of a coup d'état and the aspiration to establish a regime of personal power." The heads of the local administrations, having noted the incapacity of the authorities, demanded the resignation of the president, the government, and the parliament, as well as the holding of early democratic elections. Political observers of the republic note in connection with this that the actions of local leaders, who react most keenly to the sentiments of the local population of Chechnya, are indicative of the sharp fall in the authority of all structures of the ruling regime, not excluding the president himself. Incidentally, local administrations in many towns and villages of the republic prohibited the holding of the presidential poll. This, in particular, was reported by the city assembly of Grozny.

Having encountered massive protest and dissatisfaction, the president made concessions. On 15 February, the press service disseminated "Explanations to the Edict of the President," in which it is stated that the forthcoming poll will not entail a change of the Constitution. On 16 February, Dudayev signed a new edict, supplementing the preceding one, in which he again confirmed that the poll of the population does not have legal consequences and is only a means of revealing the opinions of the citizens of the republic, after which the president will prepare his proposals for constitutional amendments and present them for examination by the parliament. At the same time, the supporters of the president blamed the legislative organ for all the mistakes and failures of executive power.

On 16 February, a session of the parliament was held that discussed the question of the new wording of the Constitution submitted by the president. The discussion became stormy. The majority of the deputies were

sharply opposed to the poll on 19 February. As a result, the parliament prohibited the conduct of the presidential poll and adopted an amendment to the Constitution of the Chechen Republic, which the speaker, Khuseyn Akhmadov, had tried to attain for a long time. According to this amendment, in case of an acute crisis of power that paralyzes the executive and legislative organs, the parliament has the right to schedule extraordinary elections for parliament and president, after which the old structures of power must resign their powers. This amendment, as the deputies hope, will become a serious means of pressure on President Dudayev, who recently has more and more openly ignored the decisions of the parliament and is provoking a political confrontation. The parliament also adopted a decision on the holding, on 27 March, of a nationwide referendum about the state structure of Chechnya and about the attitude to the sovereignty of the republic. Thus, the development of the political situation and the sharp conflict with the president have led the deputies to an understanding of the necessity of a referendum, which during the so-called Chechen Revolution the democratic forces of the republic had demanded.

On 17 February, on the initiative of the deputy faction "Bako", a "round table" session of opposition movements and parties in the republic was held at the local university, in which representatives of the opposition, deputies of the parliament, scholars, writers, and journalists took part. The participants of the "round table" declared unanimously that the policy of General Dudayev is leading the Chechen people into a blind alley and that it is necessary to combine forces to resist the political crisis. In the course of the consultations, the Coalition Council of National and Civic Agreement was created, which was made up by the leader of the Bako group, the chairman of the Committee of the Parliament for International Relations, Yusup Soslambekov, the chairman of the opposition movement "Daymakh", Lechi Umkhayev, and other outstanding political figures of the republic.

Thus, the attempt of the president of Chechnya to enhance his power and to enlist the support of "a nationwide poll" in this struggle with the parliament, it seems, has initiated the unification of all the forces that come out against the policy of General Dudayev. The rapprochement of the positions of part of the deputies of the parliament, the opposition bloc, the intelligentsia, and the heads of local administrations will be able to exert a quite serious influence on the distribution of forces in Chechnya. At the same time, many are fearful that the entourage of President Dudayev is preparing a new surprise, capable of producing conflict in the camp of the president's opponents, or provoking an aggravation of the relations with Russia in order, again under the pretext of the threat of external aggression, to preserve the regime crisis that we now experience.

Strong Opposition to Draft Constitution Evident in Chechnya

934F0172A Moscow NEZAVISIMAYA GAZETA
in Russian 20 Feb 93 p 3

[Unsigned article: "Chechnya." Article is under the rubric "NEGA Reports."]

[Text] "The Chechen people do not wish to accept dictatorship in any form," declared Khadzhi Murat Ibragimbeyli, chairman of the Committee for National Agreement of the Confederation of the Peoples of the Caucasus, and member of the Presidential Council, yesterday at a press conference. "Chechen events of recent days, however, are not at all indicative of a crisis of power in the republic. They testify only to the fact that today we have strong opposition which does not want to accept the new draft constitution."

Thus, after Dzhokhar Dudayev repudiated parliament's decision to cancel the referendum, a vote (this is what they prefer to call it in Chechnya) is still taking place, although—according to observers—in a very inactive way.

Because of a similar decision by the president, parliament insisted on a postponement of a trip to Moscow by Khuseyn Akhmadov, chairman of the Chechnya Supreme Soviet. According to Khadzhi Murat Ibragimbeyli, parliament's justification of this decision was that after Dudayev's declaration "it would be unwise for the chairman of parliament to be absent from Grozny."

Answering a question from a NEGA correspondent about plans for a scheduled round of Russian-Chechen negotiations at the end of February, announced by Sergey Shakhrai, Ibragimbeyli stated that only flexibility in actions by the Russian leadership, especially, the State Committee for Nationalities, could lead to a continuation of negotiations on long-range matters.

Stavropol To Reduce Number of Deputies

934F0172D Moscow LESNAYA GAZETA in Russian
2 Feb 93 p 1

[Article from ITAR-TASS. No title]

[Text] A draft "State Charter of Stavropol Kray," published for discussion by citizens of Stavropol, proposes to elect only 30 plenipotentiary representatives to the Stavropol Kray Soviet instead of the former 258. This proposal was made as an alternative to the present procedure used to constitute the kray representative body.

Krasnodar Kray Soviet Opposes Referendum

934F0172E Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 p 3

[Unsigned article: "Russia"]

[Text] The Krasnodar Kray Soviet of People's Deputies has come out against having an All-Russian referendum. Fourteen city Soviets and 33 district Soviets in Kuban

sent letters to the Kray Soviet with requests to use its right of legislative initiative by proposing to the Supreme Soviet of the Russian Federation that the referendum on the fundamental provisions of the new Constitution be called off.

Capability of Regions To Prevent RF Disintegration Examined

934F0183A Moscow *FEDERATSIYA* in Russian
No 21, 23 Feb 93 p 5

[Article by Vladimir Ivanov: "Will Provinces Save Russia?"]

[Text] If a process of disintegration of a state is underway, or a threat of it exists, as a rule it cannot be arrested or averted from the center. A certain threshold should emerge on the vertical line of power toward which the wave of disintegration rolls and, having been broken by this threshold, loses its destructive power. It appears that the central authorities of Russia have recognized this, and are trying to put to use the potential of the regions in order to preserve the statehood of Russia.

The opposition also had hopes for the regions. They saw the long-suffering Russian backwaters as a source of mass antigovernment movements, the sustaining medium of the people's militia which, like Minin and Pozharskiy in 1612, would sweep away the current authorities and restore a strong state. Despite the fact that the main dispute between the authorities and the opposition sort of took place in Moscow, in reality it kept moving to the regions more and more markedly. At present, political prospects for Russia depend on which side the regions choose to come out in favor of.

For now, one gets the impression that the central authorities have succeeded in tipping the scales in their favor. The development of the basis of a regional association in the North Caucasus, the recent conference of the Siberian Accord Association in Tomsk, with the participation of the prime minister and deputy prime ministers of the Government of Russia, a meeting on regional integration in the Volga area, which is being prepared—all of these are convincing proof that Moscow has embarked on and is engaging in a dialogue with the regions concerning the very serious issues of the economic and political betterment of Russia.

A certain falloff in the pitch of the separatist sentiment has become an objective result of this dialogue. Indeed, such sentiment may mount if every constituent part of the Federation comes to terms with the center on its own. However, by joining hands in the regions, as an old song goes, they have restricted their free hand somewhat. Now that they coordinate and reconcile their actions at the regional level, they are forced to reckon with their immediate neighbors, too, and not just with the center, against which it is easy to rouse ethnic and political movements in some places. The position of neighbors may effectively put a brake on the upsurge of separatist passions....

In other words, the regions still have an opportunity to arrest the disintegration of Russia. However, their success will hinge on the economic, social, and political results of their joint steps. Alas, statehood will not be defended at the regional threshold, either, unless these results are impressive.

Thesis of Regions as Partners of Center Explored

934F0183B Moscow *FEDERATSIYA* in Russian
No 21, 23 Feb 93 p 5

[Article by Georg Heinrich, professor of the University of Vienna, and Candidate of Legal Sciences Aleksandr Ivanchenko, chief of the political and legal department of the Russian Federation Parliamentary Center: "There Is No Self-Government Without Money"]

[Text] Democratic foundations of society and the welfare of the people depend on the degree to which the processes of distribution and redistribution are centralized. In highly developed countries, a large proportion of the national income is distributed at the local and regional levels. Poorly developed countries, as a rule, are forced to concentrate their monetary resources under the control of the central government. Which strategy should Russia opt for? Georg Heinrich, professor of the University of Vienna, and Candidate of Legal Sciences Aleksandr Ivanchenko, chief of the political and legal department of the Russian Federation Parliamentary Center, ponder this issue.

In Soviet times, the strategies of socioeconomic development fluctuated between the two extremes: political feasibility and economic effectiveness. For example, Stalin's concept strove to ensure political stability through centralized distributive arrangements based on the exploitation of the agricultural sector. Khrushchev's regionalization transferred some of the levers of distribution to local control for the sake of increasing efficiency. However, the willingness of economic management cadres to relocate to the provinces was overestimated. Gorbachev was not able to develop a "workable" regional policy, either....

Obviously, the new Russian leadership is forced to reckon with traditions which have been established over decades. Nonetheless, shifts are emerging in the relationship between the center and the provinces. To be sure, negative aspects prevail at present; there is no consistent regional policy concept.

The Russian Government has already repeatedly proclaimed its intention to shift the focal point of reforms from the federal to the regional level. Logically, various models for interaction between local and central organs should have emerged. Unfortunately, this has not happened. Moreover, the government, as it strives to keep its previous role as the supreme distributor, attempts to take the pressure off the federal treasury in the simplest way: by assigning "unnecessary" outlays to local budgets. As a result, the local budgets are not replenished. This cannot but cause a response on the part of regions;

peremptory shouts from the top are frequently answered with: "And then we will close the tap on you...."

Russian politics has its own lobbying mechanisms. For now, these are old, "ministry-based" ones: The leadership grants privileges and relief to certain industries. However, in the immediate future the interests of regions and their finance and budgetary priorities should apparently be acknowledged, too, because the welfare of an industry depends, to an overwhelming degree, not only on the amount of its output, but also on the social and ecological environment of enterprises and the provision of amenities in territories....

Ultimately, only the regions and the communities of people residing in them may be the natural partners of the central authorities. The sad fate of "Gorbachevian" acceleration indicates that large capital investment in any sector does not produce the desired result unless it is anchored to regional policy.

Besides, the success of Russian reforms is inconceivable in the absence of new sources of financing. For the most part, V. Chernomyrdin's government is still betting on foreign investment—the IMF, the World Bank, the European Bank for Reconstruction and Development. As is known, the above invest large amounts of capital, as a rule, for political considerations. In the process, creditors are interested in recovering the funds invested, if possible, at a profit. As a rule, their hopes are pinned on regions. Counting on direct investments in regions is a principle of the credit policy of the European Bank for Reconstruction and Development and the World Bank... Perhaps a considerable segment of investment programs will soon be implemented at the regional level in Russia, too.

The same may be said about servicing the foreign debt. Given this approach, its main source is shifted to regions, to local enterprises.

Unfortunately, so far the government has not been guided by this truth. It is still trying to concentrate virtually all proceeds from exports and all available reserves. However, in this case the repayment of Russia's foreign debt will take 28 years, because the policy of stringent centralization of financial resources brings about the flight of capital to accounts abroad and the winding down of foreign investment.... Taking into account the potential of regional development, this period of time could be reduced by a factor of two or three.

In evaluating the strategy of the Russian Government in regional policy, it is possible to posit that the lamentable condition of the federal budget and IMF recommendations provided the main impetus for executive declarations concerning such policy. However, indebtedness will not be wiped out by declarations on making a transition to regionalization, as if by waving a magic wand; the deficit may only move elsewhere. For example, this was the case in the United States, where Reagan's "deregulation" unburdened the federal budget

at the expense of state and community budgets. However, Russia is not like the United States, in which local financing rests on a strong material foundation. This is why it is virtually impossible to mitigate the problems of the budget deficit by proclaiming the slogan "All power to the regions," while failing to take any substantive steps to expand their financial autonomy or to delegate to them at least some of the authority to distribute....

Just like democracy on the whole, regionalism is the "lesser evil." For regional policy to become reality, it is necessary to clearly define, at the legislative level, the powers of local self-government, indicating its privileges and the relief granted to it. This effort should proceed from balancing the interests of oblasts, rayons, and cities. A Russian Local Self-Government Declaration, adopted on a pattern corresponding to the European Charter, could provide a legislative basis for this effort.

The allocation of credit for regional development should be accompanied by a grant of great relief, which will make it easier for enterprises to service debts to domestic and foreign creditors out of their profits. This primarily calls for enhanced responsibility, too. On a concrete basis, regions and enterprises undertake to carry out precisely specified agreements with the government: the use capital investment in the production infrastructure, environmental protection, and the repayment of credit received before appointed deadlines....

As a first step, it appears feasible to select a few regions, develop appropriate drafts for their development, and make information concerning this available to Western investors. Sufficiently large regions should act as partners of the government, preferably regions with a varied ethnic makeup, taking into account the multinational nature of Russia. Experience gained in the course of such experiments would make it possible to get a better idea of the potential of regional policy and realistic ways to pursue it.

Udmurtiya Leader on Federation Treaty, RF, Udmurtiya Relations

934F0163B Moscow NEZAVISIMAYA GAZETA
in Russian 12 Feb 93 p 8

[Interview with Republic SupSov Chairman Valentin Tubylov by Radik Batyrshin: "Do Not Interfere With Our Work"; date and place not given]

[Text] UDMURTIYA. Republic Supreme Soviet Chairman Valentin Tubylov is in favor of a differentiated regional policy.

[Correspondent] What was for you the main outcome of the fourth session of the Council of Heads of Republics?

[Tubylov] The Federative Treaty will soon be a year old, but this document has not yet been consummated with real agreements. And this should have been the main question at the session; but, unfortunately, nearly all the

time went to discussion of the problem of the referendum. Thus, the draft which had been prepared for implementing the Federative Treaty was not signed. Even so, we succeeded in expressing our opinion on the basic principles of the state structure of the Russian Federation.

[Correspondent] And are you convinced that the Federative Treaty is a matter of paramount importance for the Russian authorities?

[Tubylov] At least the President of Russia has always confirmed his support of this document when he meets with us. But the Russian Government has always been very cool to the treaty. True, I do not know the position of Viktor Chernomyrdin, and this lack of knowledge allows me to hope for the best.

[Correspondent] December: the Congress of People's Deputies. The heads of the republics call upon parliament and the president to compromise. February: everyone returns to their own circles, and in effect the problems of the republics once again become second priority. Are you satisfied with this "peacekeeping" function of the Council of the Heads of the Republics?

[Tubylov] In fact, at the last two sessions the time was spent, for the most part, on stabilizing the political situation in Russia. And we do not have time to become directly involved in the problems of the regions, especially the economic ones. But the situation is forcing us to insert ourselves into the larger politics. In my speech I stressed that political instability in the Russian corridors of power is one of the primary reasons for the economic crisis. We succeeded in frankly expressing our opinion with respect to the struggle between the President and Parliament. I told Boris Yeltsin that the President must act as the guarantor of political stability, come to agreement with the legislative powers, and take up the economy at last.

[Correspondent] But there are problems in the state power structure in Udmurtiya. At the last session of the Republic Supreme Soviet, the deputies tabled the law on the president indefinitely...

[Tubylov] As early as the fall of 1991, the Supreme Soviet of Udmurtiya was in principle in agreement with the introduction of the post of president. A problem arose with the law on presidential elections. I am in favor of strengthening executive power in the republic, which is badly needed. We should not be having a conflict between the president and the government. According to the draft law, the Council of Ministers is directly headed by the president. But thus far the deputies have not supported this draft law. Perhaps the reason is found in the inertia of old stereotypes.

[Correspondent] What are the basic problems in relations between the center and Udmurtiya?

[Tubylov] The chief one is that the federal government must clearly define its taxation policy with respect to the

region. One cannot place Izhevsk and Vladivostok on the same level—each region has its own specific nature, and that means the tax rates must be different. The center must, through negotiations with us, consider our specific features with respect to federal taxes and not interfere with our work. We can cope with the remainder ourselves. With fair taxation we will be able to take care of ourselves; after all, Udmurtiya has never been a republic on the dole. Then we ourselves could deal with conversion of the Udmurt military-industrial complex, which occupies an enormous part of the industry in the republic. Right now we have no assets for conversion—that requires about 30 billion per year. If the military-industrial complex is a subject of joint jurisdiction of the republic and federal authorities, then the latter must assume the corresponding share of the responsibility. In addition, to this day the question of division of federal and the republic property has not been resolved.

[Correspondent] "NG" recently wrote about the fact that Estonian authorities have expressed their concern on the fate of the Finno-Ugrian peoples in Russia...

[Tubylov] That concern has been highly exaggerated. There is no national enmity in Udmurtiya. The Udmurt and Russian languages are the state languages of the republic. We have established favorable conditions for the study of the Udmurt language, but no one has any intention of forcing it on anyone.

RF Committee on Nationalities Policy on Status in Republics, Oblasts

934F0152A Moscow *FEDERATSIYA* in Russian
No 17, 13 Feb 93 p 4

[Article by the Information Analysis Center of the Russian Federation State Committee on Nationalities Policy: "What We Have in Russia...: On the Situation in the Republics and Oblasts of the Russian Federation in the Area of Interethnic Relations"]

[Text]

I. The Volga Area, the Urals and the Center of the European Section of the Russian Federation

Astrakhan Oblast

The oblast's administration has established a working group for preparing materials for the Russian-Kazakhstani intergovernmental agreement on joint use and protection of border rivers.

Kalmykia—Khalmg Tangeh

Kalmykia has received material and financial support for evening out its economic system with those of the neighboring regions which are more developed in this respect—the Volga Area and North Caucasus. In accordance with an edict of the Russian Federation (RF) president, the Russian government adopted the Decree on Urgent Measures for State Support of the Social and Economic Development of the Republic of Kalmykia—

Khalmg Tangch. It obligates all interested ministries and departments to ensure the allocation of funds and material and technical resources for the promotion in Kalmykia of projects for the construction industry, the processing of agricultural products and raw materials, wind-powered and steam and gas-powered electric power plants, television, radio and electric-power transmission lines, hard-surfaced roads, and water-reclamation and -supply systems. Special attention has been paid to the expansion of geological survey operations, the study of mineral resources and oil refining and to the fishing and fishery industries, taking into account the fishing quotas allocated to the republic in the north-western sector of the Caspian Sea. It has been calculated that implementation of all the outlined measures will take the next 3 years and provision has been made for the financing of the program to come basically from the Russian Federation's budget.

A group of 23 young people has been sent for training to India. Based on a preliminary agreement with the Dalai Lama, who visited Kalmykia in the summer of 1992, the youths have been sent for training to a monastery attached to his residence. After 8 years, two of them will acquire the profession of a Tibetan doctor and eight will be studying in a secular school.

A press conference took place in the Republic of Kalmykia's MVD [Ministry of Internal Affairs], which was devoted to murders of an interethnic nature. The Elista-Volgograd route has become an arena of interethnic conflict between a group of Ingushis and Ossetians. Three Ingushis who were driving home in a Kamaz car with Chechen plate numbers stopped next to a Kamaz car with North Ossetian plate numbers. As a result of harsh words, the Ingushis pulled out a pistol and killed two Ossetians, while the third, seriously wounded, was taken hostage and the vehicle set on fire. Along the way, having decided the hostage had died, they threw him out. The Kalmyk police arrived just then. As a result of the police operation, all three criminals have been rendered harmless. As was reported at the press conference, persons of Caucasian nationality have committed 11 aggravated assaults in Kalmykia over the past 3 months.

Karelia

In Petrozavodsk, the constituent assembly of the Ingermanland People's Movement for Rebirth—Inkeri Virkoaminen—was held. The movement's organizers are a part of the Inkerin Litto organization, which tried unsuccessfully to replace the leadership in order to radicalize policy. The head of the "schismatics"—Fedor Agava—was consequently removed from the board of Inkerin Litto.

Around 60 people attended the assembly and around 50 of them became members of the new association. Representatives of the Leningrad Finns were present.

In the newspaper SEVERNYY KURYER, there appeared a report, a commentary letter from Karelian Supreme Soviet Chairman V. Stepanov to RF Supreme

Soviet Chairman R. Khasbulatov. Proposed in the letter was the following formulation of a question on the impending 11 April referendum: "Do you support the territorial integrity of the Russian Federation as a multi-ethnic federative state, relations in which are built based on the Federative Treaty and bilateral agreements between the federal organs of state power and the organs of power of the Federation's subjects?" The letter with the suggestion to place only this question on the impending 11 April referendum was received by RF Supreme Soviet Chairman R. Khasbulatov. Any other question, in Stepanov's opinion, can be solved by the RF Congress of People's Deputies.

Kurgan Oblast

The Kazakh Social and Cultural Center, Shanrak, held a meeting, at which its governing bodies and chairmen were elected and a plan for subsequent work was outlined.

Orenburg Oblast

The Orenburg Muslim Youth Social Center (OMMOTs) posted in the city leaflets in which it called on the Muslim population to help expel the "barbarians and occupiers"—the Russians, who do not have currently "even a national autonomous okrug," and to hold a referendum "On the Boundaries of the Russian State." On 19 January, the oblast administration's department on nationalities policy held a special meeting with the leaders of the ethnic cultural centers in connection with OMMOTs' proclamations.

Participating in the meeting were the chairmen of the Bashkir and Kazakh oblast societies, the Tatar oblast social center, the German society, "Rebirth," the Orenburg division of the Russian Cultural Fund, the Russian oblas; ethnic center, and OMMOTs Chairman Khusain Gadelshin. He clung to the previous position on the struggle with the "occupiers," which the muslim youth center has been engaged in since the day of its registration in May of 1992. The activities of OMMOTs were condemned by all the oblast's ethnic cultural movements.

The chairmen of the Bashkir and Kazakh societies signed on 19 January a joint declaration of dissociation with OMMOTs, which was transmitted in the mass media. Four days later, similar declarations were put forth by the Oblast Muslim Center, the Municipal Orenburg Tatar Center and the editorial staff of the Tatar newspaper YANYVAKYT. The oblast procuracy issued a statement with respect to OMMOTs for inciting interethnic and racial strife (Article 74 of the RSFSR Criminal Code). Khusain Gadelshin was warned that, in the event of a repeated violation of the law, a decision will be taken on closing the Orenburg muslim youth center.

Saratov Oblast

Speaking at a session of the Congress of Volga Germans, the chairman of the Volgograd oblast society, Rebirth

Mikhail Peters, noted that the program made no provision for the establishment of ethnic state formations and the main point in the program was the development of agricultural product processing, which the oblast needed very much. Provision has been made for the construction of 500 houses for Germans arriving in the Volga area, mainly in Kamyshinskiy Rayon. The program received approval in the intergovernmental Russian-German commission. Penza Oblast Administration Chairman Kuznetsov confirmed the invitation sent by the administration to the chairman of the Union of Germans, Gugo Vormsbekher. It was stated in the invitation that Germans can settle in Penza Oblast and the allocation of land and housing is guaranteed, including even in the oblast center. Stanislav Krauze gave a report about the program for the migration of Germans of the CIS into the Volga area. The program considers that territory of Saratov and Volgograd oblasts which made up the autonomous republic to be the primary migration regions. The program envisions the migration of 300,000 people up to the year 2000, which will require the construction of housing, hospitals with 27,000 beds, cultural institutions with 17,000 places and more than 1,000 kilometers of roads. In order to provide employment for the populace, it will be necessary to construct 36 new industrial enterprises and to renovate 30 existing industrial enterprises.

Tatarstan

The first foreigner has expressed the desire to obtain Tatarstani citizenship. It was an entrepreneur from Germany living in Naberezhnyye Chelni. Zigfrid Khagedorn [Sigfried Hagedorn].

Udmurtia

The Udmurtian Council of Ministers intends to sign a treaty on the joint Russian-Czechoslovakian venture, Uralneft [Ural oil], and on the joint use of two oil fields in the republic. An SP [joint venture] has been established by the Udmurtneft [Udmurt oil] Association and the Invest-Leasing Company. A contract is supposed to be signed for 20 years. Over this period, according to the predictions of the Council of Ministers' specialists, the republic should receive \$33.5 million in the form of payments for mineral resources. At first, the SP will be exempted from payments into the Udmurtian budget but, starting in 1995, everything is supposed to be reimbursed. After the preparatory work, Udmurtian Deputy Prime Minister Ravil Karimov is supposed to sign the contract on behalf of the republic.

As has become known, some problems have emerged with regard to the matter of the issuing of a general license for exporting weapons from Udmurtia. Up till now, the sale of weapons has been handled by the foreign trade company, Baykal, established under the Izhevsk Machinery Plant PO [Production Association] (this is the main producer of weapons in the republic). However, at the suggestion of the well-known "patron of the republic" and the RF president's advisor on conversion

matters, M. Maley, the joint-stock company, Kalashnikov, was set up, for which the Udmurtian Council of Ministers will also plead in Moscow. According to some information, this proposal was not supported by the Ministry of Justice and, apparently, not because they did not ask the consent of the well-known designer. After prolonged arguments, the Council of Ministers' Presidium came to a preliminary agreement—let both these organizations offer the republic's military products in the foreign marketplace. According to unverified information, Adjaria, which is preparing to form its own motorized rifle division, intends to appeal to Udmurtia for assistance in equipping it with weapons.

Chuvashia

At the final session of the Supreme Soviet, the rotation of the Supreme Soviet's Presidium was carried out. Supreme Soviet Chairman E. Kubarev raised the matter of the elimination of four permanent Supreme Soviet commissions, giving as the reason for this their excessive number (15). The candidates for the cut-back were the commissions on ecology, on the mass media and liaison with public organizations, on construction and architecture and on consumer goods. According to the assessments of observers, what links them together is the fact that the chairmen of the commissions do not have good relations with the Supreme Soviet's chairman. The discussion of this matter ended up in a series of scandals. As a result, the deputies agreed to the elimination of three commissions. The commission on ecology was retained by an overwhelming majority.

II. The North Caucasus

Dagestan

The leader of the People's Front imeni Imam Shamil (which is uniting the Avars), Dagestan People's Deputy G. Makhachev announced a moratorium on the front's political activities "in connection with the situation in North Ossetia and Ingushetia." The NF [People's Front] is ready to go further and declare itself disbanded if all the socio-political organizations in Dagestan will follow its example.

In the opinion of the NF leadership, the activities of a number of ethnic movements in the republic against the background of the interethnic and territorial problems between the peoples inhabiting Dagestan may lead to the point that the situation may get out of control at any moment. This, in turn, may destabilize the situation in the North Caucasus region.

The NF leadership is also proposing ceasing its own political activities in the Congress of Dagestani Peoples, which was established in November of last year as an association of public organizations, political parties and ethnic movements which are in opposition to the republic's government.

Kabardino-Balkaria

Until the next Congress of the Kabardin People, this session of congress appointed RF Supreme Soviet member and chairman of the Shapsugiya committee, M. Tumov, acting chairman of the Congress of the Kabardin People in place of Yu. Kalmykov who resigned this position. This session also presented its own candidates for the government of "National Harmony" for the positions of ministers of economics, culture, education and information and the press, as well as chairman of the republic's Goskomnats [State Committee on Ethnic Affairs].

The Ministry of Culture of the KBR [Kabardino-Balkarian Republic], together with the Kabardin ethnic and socio-political organizations, held a one-day telethon to help the children of Abkhazia. This by no means first joint action testifies to the fact that the power and ethnic structures, through the mediation of representatives of the diaspora abroad, are taking the first steps toward cooperation.

A decision was made in the KBR to reorganize the Ministry of External Relations and Ethnic Affairs into two departments: the Ministry of Foreign Affairs and the State Committee on Ethnic Affairs. The total budget of the new departments will not exceed the budget of the ministry which previously combined them. It is assumed that one of the departments will earnestly handle the problem of repatriates desiring to return to their historical homeland (according to some estimates, the Cherkessian Diaspora abroad amounts to 4 million people).

The Republic of Adygeia

There took place in Maykop a Great Circle [assembly] of the Union of Cossacks of Adygeia, which was devoted to the elections of atamans [chieftains]. Ataman A. Tarasov, who had held two positions, remained ataman of the Maykop branch, while V. Yermolenko, former one-time ataman of the northern kuren [unit] of Maykop, was elected ataman of the Union of Cossacks of Maykop.

Participants in the Great Circle placed a stone in the old city cemetery, where a chapel will be built.

Twenty-four RA [Republic of Adygeia] People's Deputies addressed a letter to Adygeian President A. Zarimov, in which two demands were put forth: 1) turn over to the Cossacks the Supreme Court Building where, prior to the revolution, allegedly, the Cossack Uprava [council] was housed; 2) assist in financing the Cossack Choir established in Maykop.

While the first request was refused (a study of documents showed that the Supreme Court Building had been built in 1890 and, prior to 1917, the gendarme [police] administration was housed here and the jail was in the basement), the second request has been satisfied: the RA

Ministry of Culture has included in the budget the necessary funds for financing cultural enlightenment measures.

A staff member of the RA Committee on Nationalities Policy and External Ties has been sent to Sochi to distribute shipments of humanitarian aid for Abkhazia from Adygeia.

North Ossetia and Ingushetia

According to information from the headquarters of the Provisional Administration on the Territory of the North Ossetian SSR and the Ingush Republic [IR], the state of emergency has been maintained, however, the crime-caused situation remains complicated as before. Every day, 20-30 crimes and incidents are being recorded, dozens of people are being detained for violation of curfew and from 30 to 50 vehicles are being seized in the course of motor transport examination. In all, over the period from 12 November, 1992, through 25 January, 1993, in the state-of-emergency zone, members of the RF MVD's operational investigation group seized 576 firearms, 11 armored vehicles, 150 grenades and 50,000 rounds of small-arms ammunition. The whereabouts of 143 people who were listed as missing have been established. Around 500 investigations have been conducted.

In connection with the RF president's appeal and the recommendation of the RF Security Council, in accordance with Article 13 of the RSFSR Law on the State of Emergency, the RF Supreme Soviet adopted a decree on extending the validity of the state of emergency on the territory of the NO SSR and the Ingush Republic for the period from 2 pm on 30 January, 1993, to 2 pm on 31 March, 1993. This same decree instructs the Provisional Administration on the Territory of the NO SSR and the IR to ensure the maintenance of public order during the conducting of the 28 February, 1993 elections for IR president.

In addition, the RF Government adopted a decree on allocating from its own reserves additional funds in the amount of 150 million rubles [R] to support the activities of the joint investigative team of the General Procuracy, the MB [Ministry of Security] and MVD of the Russian Federation, which was formed in accordance with the decision of the 7th Congress of People's Deputies of Russia to investigate the circumstances of the beginning of the armed conflict on the territory of the NO SSR and the Ingush Republic.

In the opinion of the commander of the RF MVD's internal troops, Major General A. Kulikov, "at the present time, there are no indications of preparations for the renewal of large-scale combat operations between North Ossetia and Ingushetia." However, complications may be expected in the spring, when the passes open up and armed volunteers may return home from Abkhazia, which, in A. Kulikov's opinion, will create additional difficulties in North Caucasus, which is oversaturated

with weapons as it is. According to A. Kulikov's estimate, the populace of North Caucasus has on hand from 130,000 to 150,000 rifles.

At the session of the NO SSR's Supreme Soviet, the deputies, having discussed the results of the first stage of negotiations in Kislovodsk, considered it advisable to instruct the North Ossetian delegation to continue the negotiations.

At the same time, at the session, a number of deputies expressed resentment at the fact that the RF Supreme Soviet's decision to extend the state of emergency on the territory of the North Ossetian SSR and the Ingush Republic was again made without regard for the North Ossetian Supreme Soviet. The deputies adopted their own decree on extending the state of emergency in North Ossetia. Also adopted was a declaration addressed to Russian President B. Yeltsin in connection with the Russian-Georgian negotiations. Pointed out in the declaration was the need for the participation of Ossetian representatives in the determination of the status of the border between Russia and Georgia.

The Chechen Republic

The latest round of Russian-Chechen negotiations, which took place in Moscow, must be considered a major event. These negotiations were preceded by a meeting of the Russian government's deputy prime minister, S. Shakhrai, and the chairman of the RF Supreme Soviet's House of Nationalities, R. Abdulatipov, on 14 January in Grozny with the leadership of the Chechen parliament, in the course of which an agreement was reached in protocol form on preparations for a treaty "On Mutual Delimitation of Authority."

The reason for the contradictory reports was the telegram of the Chechen MVD, which indirectly disavowed any negotiations with the parliament, citing the fact that these negotiations are supposed to be conducted at the presidential level (the Moscow delegation was headed up by the deputy chairman of the Chechen parliament, B. Mezhdidov).

The head of the Chechen delegation himself emphasized that the delegation's authority was not in doubt, inasmuch as its make-up and functions had been approved by the president and the parliament the day before the start of the Moscow negotiations. The question of the authority of the delegations conducting negotiations on behalf of Chechnya with the leadership of Russia is very acute in the ChR [Chechen Republic]. Thus, the Executive Committee of the National Congress of the Chechen People demanded the removal of First Deputy Prime Minister Ya. Mamodayev from his position and the conducting of a parliamentary inquiry into his activities in connection with Mamodayev's recent trip to Moscow and discussion there of a version of a treaty closely resembling the structure of the Federative Treaty. The movement "In Defense of Chechnya's Independence" in parliament saw in the formulation of the name of the treaty, recorded in the protocol signed in Grozny on 4

January, an infringement on the sovereignty of Chechnya and the signatures of the Chechen representative on this protocol as their readiness to sign a document duplicating the Federative Treaty with Russia.

Russian Deputy Prime Minister S. Shakhrai declared that, despite the haziness of the situation (meaning the Chechen MVD's telegram), the Russian side is prepared for negotiations.

Discussed in the course of the negotiations were the immediate problems of a financial and economic nature and the interaction of the law-enforcement agencies, as well as the form of the treaty proper.

An agreement was reached that, approximately in the last third of February, after studying the proposals put forward at the last meeting, the parties will hold the next round of negotiations.

Stavropol Kray

At one of the last sessions of the kray's Soviet of People's Deputies, it was mentioned that the Cossacks of Stavropol are actively participating in the interethnic conflicts and actually aggravating them even more. As the head of the kray's administration, Yevgeniy Kuznetsov, declared, around 30 times over the past year, the police have had to intervene in conflicts in which the Cossacks were participating—if only to neutralize the dangerous situation caused by them.

III. Siberia and the Far East

Tyumen

The Minor Soviet of the oblast soviet decided to publish for the 50th Anniversary of the formation of Tyumen Oblast (August, 1994) novels by local writers, tales of the Khanty and the Mansi and books about the oblast's cities and allocated R60 million for these purposes.

Tyumen—Omsk—Pavlodar

Thanks to the personal meeting of the head of the Pavlodar administration, Asygal Zhabagin, with RF Prime Minister Viktor Chernomyrdin, the former managed to defend the idea of the joint construction in Pavlodar of the second section of the oil refinery.

An agreement was signed with Omsk Oblast on joint operations for protecting the environment and combating crime.

The people of Tyumen agreed to ensure an oil delivery schedule which is more convenient for the people of Pavlodar, i.e., to reduce the number of direct suppliers from 12 to 3. The people of Pavlodar managed to reach an agreement with the contiguous oblasts of Russia on direct mutual settlements, on maintaining the existing economic ties, on the procedure for the functioning of communications and on many other matters.

The Republic of Tuva

The Republic of Tuva's minister of economics, Valeriy Solchak, declared that the experience of 1992, when the development of deposits was carried out with the involvement of crews from other regions, showed that the leasing of gold-bearing sections actually removed gold mining from the control of the Tuva leadership.

According to the information of the Tuva-zoloto [Tuva gold] Association, over the course of the season last year, the prospectors panned out no less than 500 kilograms of mined gold. In all, this brought into the republic's budget R75 million. It is being proposed that the right to mine gold be monopolized by the Tuva-kobalt [Tuva cobalt] Combine as an alternative to leasing the deposits.

Buryatia

It has been proposed that the first convention of "domestic" Old Believers be held on 5 March in Ulan-Ude. Examined at it will be the questions of the spiritual culture of the Russian and Buryat peoples. The organizational committee for the preparations and conducting of the convention has appealed to the leaders of the rural rayons, enterprises and banks with a request that they render assistance and financial support for holding it.

The Law "On the Nomadic Tribal Community of the Numerically Few Peoples of the North" was adopted at the session of the Republic of Sakha's Supreme Soviet. The nomadic tribal community is being established for the revival, preservation and development of the way of life, culture and language of the numerically few peoples of the North. The community, as a distinctive form of conducting natural resource use and management with its mobile and nomadic nature, ensures the protection of the civil, economic, political, social and cultural rights and freedoms of its members and preserves the territory of the traditional resettlement with its natural resources. The community, being an equal link in the state's economic system, enjoys its protection. The members of the community, in accordance with the law, may be Eveny, Evenki, Yukagiry, Chukchi, Dolgany and members of their families, as well as representatives of the indigenous peoples of Yakutia and other ethnic communities of the North, who permanently live on the territory of the community and lead a traditional way of life on an equal basis with the numerically few peoples of the North.

Khabarovsk Kray

The principles for the development of the unique Russian-American project for preserving the ecological balance around Lake Baykal can also be used for the territory of the Ussuri River Basin (the Far East). The proposal on cooperation in the development of a program for rational natural resource use in this region came to the Far East Institute for Ecological and Water Problems from the Center for Russian-American Initiatives.

Caucasus Nations Confederation Against Armed Forces in Abkhazia

934F0172F Moscow NEZAVISIMAYA GAZETA in Russian 19 Feb 93 p 3

[Article by Igor Terekhov: "Only Volunteers Will Do the Fighting: The Presidium of the Confederation of the Peoples of the Caucasus [CPC] Cancelled the Order To Organize CPC Armed Forces in Abkhazia." Article is under the rubric "North Caucasus."]

[Text] As announced by Khaudi Sherniyev, charge d'affaires of the CPC, at a meeting of the Presidium of the CPC Parliament held in Pitsunde (Abkhazia), the order by Musa Shanibov, president of this organization, to establish a headquarters for the armed forces of the Confederation in Abkhazia, was cancelled.

The Presidium of the CPC declared that the Confederation does not intend to create any kind of armed forces for itself in Abkhazia, but will continue to provide all possible assistance to Abkhazia, including volunteers from among the peoples who are members of the Confederation.

A resolution was adopted at the meeting of the Presidium of the CPC Parliament, which states in part: "The government of Russia is virtually ignoring the decree of the Russian Parliament, dated September 25, 1992. Transfer of Russian arms to Georgia is continuing, and so is economic support. The CPC considers that Russia should refrain from concluding a treaty of friendship and cooperation with Georgia until the Abkhaz-Georgian conflict is resolved."

According to members of the CPC, the presence of Russian troops in Abkhazia fulfills a peacekeeping mission, and the question of their status and stationing should be resolved on the basis of a mutual agreement between Russia and Abkhazia.

"The CPC considers that the leadership of the North Caucasus republics should persistently try to obtain from the Russian and Georgian governments the unconditional withdrawal of Georgian forces from the territory of Abkhazia and a political settlement of Abkhazian-Georgian mutual relations. From its part, the CPC which is concerned about the military-political activities of the Georgian leadership, is prepared to take every necessary measure to protect the peoples of Abkhazia," states the conclusion of the resolution of the Presidium of the CPC Parliament.

Ethnic Tensions Seen Rising in Karachayevo-Cherkess Republic

934F0208B Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 93 p 6

[Letter by Makhmud Bayramkulov, settlement of Kavkazskiy, Prikubanskiy Rayon, Karachayevo-Cherkess Republic: "Alarming Letter—the Caucasus Is Already on Fire"]

[Text] The Caucasus has turned out to be one of the most alarming zones. Is this an accidental fact or not? I think not.

Purposeful secret work is going on to exacerbate the situation in this region. Efforts are also being applied to raising tensions in the Karachayevo-Cherkess Republic—one of the most stable regions of the Caucasus. Two forces have gotten together in this black deed—the super-national extremists and representatives of Russian chauvinism in the form of the reactionary leadership of the Cossacks.

The people of Karachay-Cherkessia firmly had their say on 28 March 1992 in a national poll, where more than 80 percent of the population came out for a united Karachay-Cherkessia within the Russian structure. And this was in spite of all kinds of provocations of extreme reactionary forces to disrupt the poll in those population centers inhabited mainly by Karachays, Circassians, Abazins, Nogays, Greeks, and Ossetians. However, 95-97 percent of the population expressed itself for the preservation of a single republic within the Russian structure. Approximately the same thing happened with the Russian-speaking population.

It can be said with confidence that the peoples of Karachay-Cherkessia will be able to maintain their unity within the Russian system. But, for this, it is necessary to fight and to expose those who sow seeds of discord between peoples of the republic of the region [as published].

In a ROSSIYSKAYA GAZETA article on 4 August 1992, "Congress Under an Open Sky," Yuliy Kostinskiy describes an enthusiastic meeting of the Karachay people with the president of the Chechen Republic. But, after all, the meeting was organized by a small group of extremists, who did not represent all of the people, and the so-called "congress" did not represent anyone. We congratulate the Chechen Republic and its legally elected president, but this does not mean that all of the ideas of the Chechen revolution can be exported to other regions, including to Karachay-Cherkessia.

I do not understand why the president of an unrecognized Chechnya was able, without the consent of Russia, to drive with armed submachine gunners and armored personnel carriers through dozens of military posts of Russia?

An anti-Caucasus policy is being waged from the pages of the press, pushing the people of the Caucasus from their own natural ally—Russia—into the arms of the national extremists.

While reading articles like this, there is a lot for the people of Russia to ponder. Because the Caucasus is already on fire, and it will not get better for anyone if the flames of the fire spread over the regions of Russia.

RF Constitutional Court Supports Congress of Kabardin Nations

934F0172G Moscow NEZAVISIMAYA GAZETA
in Russian 19 Feb 93 p 3

Unsigned article: "Kabardino-Balkaria"

[Text] The Russian Supreme Court rejected the presentation of the prosecutor of the Kabardino-Balkarian Republic regarding the cessation of activities by the Kabardinian People's Congress (KPC).

As is well known, the KPC was charged both with attempts to replace the legal organs of power and with illegal actions in conducting activities in Nalchik in support of Abkhazia, including during the unsanctioned ten-day meeting in the autumn of 1992.

Buryat Draft Constitution Viewed

934F0208A Moscow ROSSIYSKAYA GAZETA
in Russian 4 Mar 93 p 6

[Article by Vil Kikot, expert on the Constitutional Commission of Russia, under the "National Policy" rubric: "The State Serves the Individual. Not the Other Way Around"]

[Text] The draft constitution of the Republic of Buryatia is analyzed by Vil Kikot, an expert on the Constitutional Commission of Russia.

The document of the Basic Law of Buryatia that was prepared by the Constitutional Commission of the parliament of the republic takes into consideration the constitutional and legal experience both of our country as well as of some foreign countries. It possesses many virtues: The name of the state—the Republic of Buryatia—is free from ideological stamps; political and ideological diversity, a multiparty system, and the barring of party organizations from state organs are determined; the principle of a social economy as the basis of an economic system is being established; private property and a concept of public property are being introduced; in many cases, the action of the laws of the Russian Federation in the Republic of Buryatia is being recognized; the rapacious exploitation of land is being prohibited; the rights of consumers are being protected; and the development of the national cultures of the peoples of Buryatia is being defended.

Provisions concerning the basic legal position of the citizens deserve respectful treatment: the mutual rights and responsibilities of the citizens and the state, and equality of rights. Also corresponding to modern concepts is a list of rights and freedoms and also articles on personal rights and freedoms; on social, economic, and cultural rights and freedoms; on political rights and freedoms; on guarantees of the rights and freedoms of citizens, including the rights of citizens to self-government, and the introduction of the position of people's legal defender.

The part on the organization of state authority in the Republic of Buryatia was prepared at a high level. All of this makes it possible to evaluate the draft favorably. At the same time, some features of this document require a more critical examination. First of all, the structure of the draft raises certain doubts. The inclusion in Part I

not only of principles, but also of the broader fundamentals of the state structure of the Republic of Buryatia (its state system, economic system, and social policy) places these sections before the fundamentals of the legal position of citizens (Part II). Thus, the peculiarity of Soviet constitutions with their priority of the state and society over the individual is preserved. A majority of the democratic constitutions of the world and the draft of the new Constitution of the Russian Federation place the position of the citizens before the civil society and the civil structure, for society and the state must serve the individual. Contrary to this, the draft Constitution of Buryatia places the rights of citizens in the last place, after the state organs, enterprises, and public organizations.

The forms in which the sovereignty of Buryatia are expressed also seem to be somewhat exaggerated: The exclusive right to all of the territory and natural resources is a treaty and not a treaty-constitutional basis of the economy of the Russian Federation, and so forth. These provisions partly contradict the federative treaty.

Certain provisions concerning civil society also raise questions. It is hardly proper to place the transformation of national (state) enterprises into collective or private enterprises depending only on the desire of their labor collective. After all, national property is distributed among enterprises extremely unevenly. General interests should form the basis for the resolution of such questions, and not only the desire of one labor collective, which, of course, should also be taken into account.

The question is whether it is feasible to apply departyization (Article 12) even to the soviets (khuraly)—party factions among people's deputies are necessary under conditions of a multiparty system.

In my opinion, there are also substantial shortcomings in the resolution of a number of questions on the state structure. The old recognition of the soviets as the basis of the state contradicts the principle of separation of powers, which is new to us. This principle is also contradicted by terminology (differentiation of the organs of authority and administration). These are a direct preservation of the institutions of Soviet authority of the 1920's and 1930's proposed in the draft: a republican congress of soviets, production electoral districts, the possibility of the early release of judges (as well as other official persons) from positions "in the event of improper execution of their duties," without the necessary conditions and formalities that protect the independence of judges.

For some reason, only anticonstitutional acts under the law are deprived of force. It should also be anticonstitutional laws.

Consideration of the problems of the constitutional development of the Republic of Buryatia brings forth one more serious problem—not touched upon previously, but urgent for the entire Russian Federation. It is the question concerning a correction of the "injustices"

caused in the years 1937-1938 to the Buryat people, consisting of the division of its integral territory and the people themselves into several parts: the Republic of Buryatia; the Aginskiy and Ust-Ordynskiy Autonomous Okrugs; the Olkhonskiy Rayon of Irkutsk Oblast; the Ugdanskiy Rayon of Chita Oblast; and also a number of population centers beyond their borders. What is meant is the "restoration" of the unity of the Buryat people by way of returning the aforementioned autonomous okrugs, rayons, and population centers to Buryatia.

Obviously, a problem exists, and it undoubtedly has a constitutional character. It has to be discussed and resolved, using for its resolution the kind of legal mechanism as the will of the population of the aforementioned territories. But, at the same time, in my opinion, it would be advisable also to include in this mechanism the adoption of an appropriately coordinated resolution of the parliament of Russia.

Tatarstan To Free Food Prices

934E0200A Moscow IZVESTIYA in Russian 27 Feb 93 p 2

[Article by journalist Boris Bronshteyn, Kazan: "Prices of Products in Tatarstan Will Not Be Restrained in the Future"]

[Text] The Tatarstan government no longer intends to fight against the prices of food products, by paying the producers billions of rubles in subsidies from the budget. The policy of the mild entry into the market no longer justifies itself at this stage.

"Tatarstan will start moving along a new path," Ravil Muratov, the republic's vice-premier, stated in a live broadcast to the radio listeners.

What is this new path? The prices that today are completely moderate will be set free and, in all probability, will become higher than the Russian ones. In parallel, the Tatarstan government will raise the level of wages for its citizens and will maintain a balance between the population's income and the cost of the consumer basket. The higher prices will prevent the shipping of products beyond the confines of the republic, and the higher wages will make those products accessible for the inhabitants of Tatarstan.

But the chief item in the new policy is specifically-addressed social assistance. Previously, thanks to the subsidies, the state's assistance was distributed evenly among the population. Now it will be rendered selectively—to retirees, children, disabled individuals.

By changing its tactics, the Tatarstan government hopes, as a minimum, to preserve the current level of consumption.

Tatar Vice President Seeks To Expand Tatar, St Petersburg Ties

934F0165B Moscow MOSCOW NEWS in English
4 Feb 93 p 1

[Article by Andrei Chernov: "Kazan Makes a Window Into Europe"; first paragraph is MOSCOW NEWS introduction]

[Text] Vitaly Likhachev, vice-president of Tatarstan, tells MOSCOW NEWS about the first official visit of his republic's delegation to St. Petersburg.

Publicity was not our objective. It was a working visit which featured conversion of the defense industry to civilian production. In 1941 many arms factories were relocated from Leningrad to Kazan. Quite a few people who live in Tatarstan today were born in Leningrad and there is a lot of cooperation between arms manufacturers in Tatarstan and St. Petersburg. We discussed ways to expand ties between universities in Kazan and St. Petersburg, both of which have a very old history, and the situation of ethnic Tatars in St. Petersburg. We see eye to eye on all issues. There are plans to open a Tatar-language school in St. Petersburg and an Islamic cultural centre. Soon St. Petersburg will also have a Tatar trade mission. Another field of cooperation is exchange of information on crime and joint law-enforcement efforts. A general agreement on the priority areas of cooperation will shortly be finalised.

New oil-fields have been discovered in the east of Tatarstan and in other areas of the republic, and they were another topic we addressed. I am also taking home proposals on joint construction of a quay in the St. Petersburg port. We are exploring the possibility of a similar project in Klaipeda. The Volga is a waterway bringing us directly to St. Petersburg and from there, to Nordic countries where there are also ethnic Tatars.

While in St. Petersburg, I was often asked by the press about Moscow's response to the visit. My answer is it will meet with understanding. We are not going to break up the Russian Federation. What we are trying to do is reshape it politically, socially and economically.

Bashkortostan Wants Changes in RF Law on Currency Regulation

934F0163A Moscow KURANTY in Russian 5 Feb 93 p 8

[Article by Rashit Ayupov: "There Will Be Collections and That's That"]

[Text] UFA. The Supreme Soviet of the Republic of Bashkortostan has adopted a decree which proposes that the Russian Federation Supreme Soviet introduce to the Law of the Russian Federation of 9 October 1992, "On Currency Regulation and Currency Control," the following amendments. Add to paragraph 3 of point 1, Article 3, of the aforementioned law the words: "and by the laws of the republics belonging to the Russian Federation."

The fact of the matter is that the Russian law establishes that the kinds of mandatory payments to the state (taxes, duties, customs and other gratuitous payments) in foreign currency shall be determined by the laws of the Russian Federation; at the same time, point 3, Article 11 of the Federative Agreement attributes the establishment of common principles for levying taxes and duties to the contemporaneous jurisdiction of the organs of state power of the Russian Federation and the organs of state power of the republics belonging to the Russian Federation. Moreover, point 3 of the Annex to the Federative Agreement from the Republic of Bashkortostan independently defines the general principles for levying taxes and duties for the budget in consideration of the laws adopted in the republic and the supplementary agreements on this question with the corresponding federal organs.

The decree of the Bashkir parliament also proposes adding to point 2, Article 11 of the aforementioned Russian law the phrase, "Organs of currency control in the republics belonging to the Russian Federation shall be defined by the laws of the corresponding republics belonging to the Russian Federation."

Bashkortostan Anticipates Drop in Oil Production

934E0222B Moscow DELOVOY MIR in Russian
25 Feb 93 p 8

[Article by UFA journalist Rashit Ayupov: "There Is More Water Than Oil in the Well"]

[Text] This year, compared with last, production of oil in Bashkortostan will drop by 3 million tonnes due to the depletion of most deposits of this black gold. Currently, only 60,000 tonnes of oil is extracted daily, which is 5,500 tonnes less than a year ago. Drilling of new oil wells also has been scaled back, and 18 drilling teams disbanded.

Especially serious problems are caused by the great water content of the deposits. For instance, in order to extract a tonne of oil, it is necessary to pump out 11.6 tonnes of produced water from the well, which is 0.3 times more than industry's average. These are the residual consequences of the "creative" application of the flooding system, which has been widely and intensively used since the 1970's, when Bashkortostan held annual production of oil at the level of 40 million tonnes.

Today, when all deposits in the republic have entered the late and final stage of utilization, no stabilization of extraction can be expected. Nor can we expect to discover new major deposits on the territory of Bashkortostan, since over the past six decades everything here has been prospected and studied in detail by scientists and geologists.

Recently about 50 foreign companies visited here to look at the situation in oil production, but none took the risk of investing, because it is no longer possible to count on high profits in the Southern Urals due to the low yield of an overwhelmingly greater share of the oil.

Only PWE-DEA, a German firm, took the daring step to develop—at its own expense—a project for the application of reagents at the Arlan deposit; the implementation would have permitted oil yield to increase by 10 points by way of increasing the viscosity of oil. However, financial problems and absurd taxation make it impossible to implement the project in practice. Oil refineries today owe Bashneft 28 billion rubles, and Bashkortostan enterprises account for almost one-third of them.

Whatever the situation, at this point the republic economy still mostly rests on oil and petroleum products. This year Bashkortostan was given an export quote of 3.5 million tonnes of oil and 6.2 million tonnes of petroleum products to neighboring and foreign countries. These figures may be revised downwards if the oil industry produces less than planned and the oil refining and petroleum processing industries produce less than the target quotas of diesel and ship fuel, automotive gasoline, boiler oil, lubricants, petroleum asphalt, synthetic resin, fertilizers, etc. By the way, this entire list of petroleum products is included in the general export quota list.

Over the past three years Bashkortostan has exported more than 4 million tonnes of oil. The republic reached the 3.3-million tonnes export level in 1992. In the specialists' opinion, however, it is necessary to send even more oil and petroleum products abroad in order to plug the holes that have emerged in the republic food market, in the ecology, and the technical condition of the entire petrochemical complex. Because of the sharp drop of oil production in Russia, however, Bashkortostan has been given minimal export quotas in order not to tip the federal fuels and energy balance.

Reform as Viewed in Novgorod Oblast

Bureaucratization of Reform in Regions Criticized

934F0162A Moscow KURANTY in Russian 11 Feb 93 p 7

[Article by A. Pankov: "Confrontation No Whim"]

[Text] I am not a man of "right mind," I am for the referendum.

The head of the Novgorod administration thinks that there is simply a little scuffle going on between Yeltsin and Khasbulatov. If this was indeed just a struggle of personal pride, everything would be much simpler, and we could merely spat at their discord. Each of these leaders, however, presently embodies a specific path of development for the country: either to a normal market economy (and that, whether you like it or not, is capitalization), or down another socialist dead end (in accordance with Khasbulatov). Why a dead end? Well,

because the Scandinavian method, which the soviet speaker is fighting for, although it is quite fair (equalizing?), is based on the capitalist system, which Khasbulatov and company do not want to allow us

It would be naive to suppose that such a fundamental question—capitalism or socialism?—will resolve itself. No, the struggle will worsen along with the expansion of the entrepreneurial class. The confrontation is not a result of the whims of leaders and deputies, but is a natural stage of social, economic, and political development.

It is another matter that the worsening political situation should not lead to knives being drawn. On this I do agree, stabilization is necessary, the dangerously rough waters must be calmed. But how? Through agreements arrived at by leaders? In the end Yeltsin will perhaps yield even more to Khasbulatov and company (and as a result he will lose his authority once and for all). The people, however, want to yield no more. Only a referendum as an expression of the will of the people will calm the political situation, (we will not go into how the questions should be written, and so on). A summit agreement would only create the appearance of peace.

The young energetic official "in charge" of the Novgorod oblast is content with the reforms currently being pursued, and he asks that he (they) not be disturbed by the center. It is quite clear, however, that reform in the provinces is being conducted in a largely bureaucratic fashion by the same party-director-kolkhoz nomenclature, which has easily adapted itself to the new slogans and jargon. They are doing well. Many a tidbit they have snatched up for themselves, having forgotten about Marxism and Leninism. But let the average citizen try to privatize, become an owner, buy and sell at a profit. How they start to abhor him, to consume him whole. For this reason current reform is moving along with great difficulty in the transition toward private ownership, which is to be the major change. The rest is mimicry, empty rhetoric about pseudo-reform, a mere changing of seats

If the people do not realize that they themselves must determine the fate of the country now, and express their decisive word, they will pay dearly for their inaction. A rejection of politicization will benefit those who want to conduct the reform of the nomenclature-bureaucrats

Admin Head on Reforms in Oblast

934F0162B Moscow KURANTY in Russian 11 Feb 93 p 7

[Talk conducted by Ye. Kopyshka: "Head of Novgorod Oblast Administration Mikhail Prusak: Constitutional Agreement - A Chance for Compromise"]

[Text] Mikhail Mikhailovich Prusak, 32, graduated from the Komsomol Graduate School. He worked as a sovkhos director. He was also elected to USSR people's deputy, and is a member of an inter-regional deputy group.

- Mikhail Mikhaylovich, let us make it clear right now. Are you for or against conducting a referendum?

- Any man in his right mind that wishes to preserve the integrity of Russia, in my view, would be against the referendum in the current political situation.

- A constitutional crisis, however, is now at hand in the country; a crisis that we must somehow find a way out of.

- I think that the crisis is in large part only a manifestation of the conflict between the executive and legislative powers, which, having become absorbed in a political battle, do not want to seek compromise. In such an economic situation, to transform the entire country into an arena for ascertaining attitudes and trying to once again divide people into the "whites" and the "reds" is an indication of political weakness. In the mind of the average man the referendum presently comes down to one thing, ascertaining whether you are for Yeltsin or Khasbulatov.

There is still a chance agreement can be reached while preserving economic reforms and democratic achievements. And that chance is to sign a constitutional agreement. It is namely this proposal that will be discussed at a joint meeting between soviet representatives, administration heads, and representatives of the Russian republic.

- What is the essence of the constitutional agreement?

- A situation arose in which there was a loss of authority after the Law on the Oblast and Kray Soviet and Administration was adopted. Until then specific economic problems had been resolved, albeit poorly or only slightly, by the executive power. The presidential administrative hierarchy had worked. The latter also conducted reforms. In the constitutional agreement a return to such an administrative hierarchy must be declared. Thus, placing moratoriums on individual articles of the Law on Kray and Oblast Soviets and the Law on Local Self-Government will be appropriate. A representative power only approves the budget, regulates how it is divided up, and does not interfere in operational economic activity.

At the same time the president and the Supreme Soviet will be bound in the constitutional agreement to refrain from violating the acting Constitution with their edicts and decrees. One cannot conduct effective economic reform in the existing chaos.

After preparing a draft constitutional agreement, the subjects of the Federation will request that the president, the chairman of the Supreme Soviet, and the chairman of the Constitutional Court examine the draft and submit it at a special congress. The active collection of deputies' signatures to convene a congress is already underway.

I think that the deputies will accept the agreement. If they say "no," they will, in so doing, demonstrate that they do not desire to give up confrontation. In that case

the president could, in what would already be an entirely different political situation, turn to the people with a request to hold a referendum containing one question: "To whom do you entrust the adoption of a new constitution, the Constituent Assembly, or the Congress of Peoples Deputies?"

In such a way the integrity of Russia will have been preserved and each individual's position ascertained.

- In your view what will the political consequences be if the draft constitutional agreement is not approved?

In a situation of fierce opposition within the higher bodies of power combined with legislative confusion, the subjects of the Federation will inevitably consolidate in opposition to the center in order to protect their interests. Some are already looking hard at draft proposals to create new republics within the territory of Russia: North-Eastern, Far Eastern, Ural, and others. A constitutional agreement will provide a historic chance to reach a compromise, while relying upon the common sense of our intelligentsia, and the creative ingenuity inherent in the Russian character. If there is no agreement, the situation will inevitably become aggravated and a third force, seizing power, will once again unify the territories, but will do so using dictatorial methods.

- Do not outdated constitutional norms hinder you from carrying out economic reform in the oblast?

- We are hindered only by the center's incompetent actions. According to the Federation Treaty the center is obligated to delegate a number of powers to the subjects of the Federation. However, attempts sadly witnessed in the recent past to regulate everything from the top have not ceased. It is nonsense to use the very same forms of kolkhoz and sovkhoz reorganization in the Novgorod oblast as for example, in Krasnodar kray. People will decide for themselves what is more profitable for them. So-called state support for farmers amounted to many people receiving 70 thousand in credit in 1990 at a reduced interest rate. They then purchased technology at a low price, but, without producing any goods, they are now selling it. And it now costs not 70 thousand, but six million. Those surrounding them look upon these farmers with hatred. Is this really reform, when social conflict is increasing within the village? Farming should be introduced gradually, while getting farms going and giving credits on a competitive basis to those producing goods. If we adopt a decision about private land ownership, (and I am for this), then set up a procedure such that if you do not work a year on the land, then you pay a huge fine. And resolve the question concerning the usage of the land not in Moscow, but here locally. If they are getting 5.5 thousand liters of milk per cow a year on several sovkhozes in the Novgorod region, while on a private subsidiary farm they are only getting 4.5, why break up such sovkhozes now?

With respect to economic reform in the Novgorod oblast, we are carrying out the state privatization program at a good pace. Young American politicians were here recently. Having familiarized themselves with the economic and political processes in the oblast, they urged Western businessmen to put their capital in the Novgorod region. A joint program involving the organization of "Biznes-park [Business-Park]" is being developed with the International Bank of Reconstruction and Development.

At the last session of the oblast soviet, deputies adopted an economic development concept virtually without reservation that had been proposed by the administration. And they adopted it because they themselves had taken part in its design.

- Then one may still come to an agreement with the deputies?

- Of course. I do not understand the president at all. Why does he not want to rely on the deputies? I was Boris Nikolayevich's campaign manager during the pre-election campaign, and it was of my own conscious choice. It was a peaceful way of resolving problems.

Today, however, while our leaders wage their political battles, they are starting to divide the deputies into those that are for Yeltsin and those for Khasbulatov. Who conducts politics that way? Why pit one person against another? One must work with the current makeup of the congress as it is, while not making them into "enemies of the people." The president has some persistent idea regarding a conspiracy by former communists. From this comes the obvious politicization of economic decisions. Yet, we in the oblast are trying our hardest to keep good specialists and professionals. Today I see edicts being prepared either without much thought or expressly by the president that are entirely unreasonable, which no one knows how to carry out in the provinces. It is namely in the oblasts, regions, and villages, and not in Moscow, that the president is losing the most support.

Not much is left that has not yet reached a completely unmanageable state. This must at last be understood.

'Civic Union' Forms Samara Regional Branch

934E01884 Moscow RABOCHAYA TRIBUNA
in Russian 25 Feb 93 p 1

[Article by Vladimir Babenkov, RABOCHAYA TRIBUNA correspondent: "They Waited on the Volga for the Civic Union"]

[Text] Samara—A regional branch of the Civic Union has been formed in Samara. It was established by local branches of the Democratic Party of Russia, the People's Party of Free Russia, organizations of the Russian Union of Youth and the Youth Union of the Democratic Party of Russia, and the Civic Union Association of People's Deputies of Samara Oblast.

The new political entity set as its goal the elaboration of joint positions in the sphere of political and economic reorganization, active counteraction to political forces whose actions are leading to the breakup of the Russian Federation and the revival of authoritarianism and totalitarianism, and assistance in any form to the achievement of interethnic harmony and civic peace.

The attempts of several democrats to isolate the new movement were rejected at an organizational conference. For example, there was a refusal to enter into the by-laws a provision on the impossibility in the future of accepting parties of a communist leaning into the union. "Is it possible to declare civic peace, but then immediately support confrontation," several sensible delegates declared.

Civic Union regional branches have already initiated the first political actions. An appeal for the unity of Russia and a resolution on youth policy were adopted.

Novosibirsk Faces Worsening Fuel Situation

934E0188B Moscow RABOCHAYA TRIBUNA
in Russian 26 Feb 93 p 2

[Article by Vyacheslav Nechipurenko, RABOCHAYA TRIBUNA correspondent: "If the Kuzbass Heats Up into a Strike, Neighbors Will Freeze"]

[Text] Novosibirsk—It can be said anywhere in the area of Tikhoretsk, while feeling the weakening throb of a steam radiator: "This is normal, since spring is approaching." Siberians not only cannot say this—even thinking about such a thing is terrible.

A very difficult situation has developed in Novosibirsk's heat and electric power administration. The Novosibirskenergo Association is in debt to suppliers for about 8 billion rubles (R). The city and the oblast owe approximately as much, and perhaps even more, to the power industry workers. But no one is settling mutual accounts for reasons of insolvency. The unloading of coal at some city TETs [heat and electric power plants] has been halted completely, and reserves remaining for a "rainy day" are at the very minimum. Due to nonpayment of debts, deliveries for Novosibirsk have been stopped in Omsk.

This is the way V. Tomilov, general director of Novosibirskenergo, assesses the situation.

"If the situation does not improve in the next several days, it will be necessary to resort to extreme measures, inasmuch as we will not be in a condition to provide heat for everyone. But dwellings, hospitals, and schools, of course, will not suffer. But industrial enterprises will have to tighten their belts. I had occasion to talk on this subject in Tomsk with Prime Minister Chernomyrdin. Viktor Stepanovich understands the situation very well, but he does not promise anything, and he gives no guarantees.

As for the threat of a new strike on the part of neighboring Kuzbass, it will of course disrupt an already catastrophic heat and electric power situation. But I think that it will hit the Kuzbass itself even more.

For the time being, the situation in the city heat and electric power administration can be observed in the hot water pipe in one's apartment. Each day the stream of water from it is becoming less forceful, and its temperature does not climb above room temperature.

Astrakhan Oblast Stabilizing Production

934E0188C Moscow IZVESTIYA in Russian 25 Feb 93 p 5

[Article by Viktor Kornev, IZVESTIYA: "Stagnation at the Astrakhan: Production and Housing Construction Is Increasing"]

[Text] In familiarizing yourself with the production figures of branches of the economy of Astrakhan Oblast, your glance automatically stops at lines that are now rare: The production of light industry commodities increased—108.7 percent in comparison with the 1991 level (all data are cited in comparative prices). More outerwear knitted articles were produced than in 1991. The production of fiber wood increased up to 111 percent. The Astrakhan index even has a plus in housing construction.

Of course, given the present general state of the economy, it would be difficult to expect all indices to be favorable in an "individually taken oblast." Nevertheless, the inhabitants of Astrakhan were able to avoid a sharp drop in industrial production. Its reduction only amounted to about seven percent. Moreover, almost half of the unattained production falls to a portion of the gas condensation complex, because of chronic ecological problems.

Is this a firm trend toward an improvement of results? Let us turn to statistics once more. In October, by comparison with September, the production of diesel fuel, for example, amounted to 137 percent, leather shoes—122 percent, and synthetic detergents—103 percent. The indices for each of the succeeding months also exceeds the previous months. Although the indices are more modest, but an increase—from 101 to 104 percent—was noted in the last months of last year in the production of meat, milk, and confections. And the increase in an Astrakhan firm's fish production, including canned goods, reached 155 percent.

"It is too early to talk about serious changes," Anatoliy Guzhvin, head of administration of Astrakhan Oblast, said, evaluating these data in a restrained way, "as before, we are having difficulty with foodstuffs and commodities. But we are really and gradually, step by step, creating a 'reserve of durability' for the future. Now the fundamentals of a market economy have been laid in practically all branches, and this means that a transition to the next stage is possible—restoration of the volume of production and stabilization of the situation in general."

A majority of enterprises in Astrakhan Oblast have not only acquired the status of joint-stock companies themselves, but are also participating in the implementation of important projects jointly with new entrepreneurial structures. In the sphere of services, for example, one-fourth of the private enterprises, and their shares, continue to grow rather quickly. In the past year the number of farmers has increased by a factor of six, and each peasant farm has 136 hectares of land—as far as I know, this amount is a record for Russia.

The already difficult transition to a market economy today is frequently complicated by political struggle, including at the local level, and by attempts to hinder reforms. But the situation in Astrakhan Oblast is completely stable. Maybe there was complete peace and quiet here and seething passions were avoided?

"No, of course not," answered Anatoliy Guzhvin. "The political atmosphere remained tense here for a long time."

I will skip the details of the opposition between the supporters and opponents of reorganization. Guzhvin, who holds the post of chairman of the oblast executive committee, was appointed head of administration. But the oblast did not follow the path of formal reconfirmation of the old personnel roster. The entire oblast executive committee handed in their resignations.

At first, it is true, there were doubts. Will it all not just end up with a change of signboards? But consideration of the candidates for work in the new organ of authority indicated that this would not happen. The oblast administration was formed with one-third of the people being new. Moreover, those invited to work in the administration, including in key posts, were from parties and movements of a democratic orientation.

I met with people whom Guzhvin had invited to his team. "The grass snake and the hedgehog were brought together in the team"—this kind of pun had wide dissemination after it was formed. It referred to internal opposition.

"We did not come to engage in political intrigues," objected Feliks Golikov, a deputy head of administration. "On the contrary, we are trying to find mutual understanding and to work in close contact with the previous personnel."

Aleksandr Zhilkin, first deputy head of administration, is one of the new people on Guzhvin's team. He was among the leaders of the Democratic Reform Movement. Now, the 33-year-old first deputy head of the oblast administration works on issues of the new economic policy. Issues regarding efficient management of the economy fall within the jurisdiction of Gennadiy Sagunov, another first deputy, who was in a managerial post in the former oblast executive committee. In the opinion of Anatoliy Guzhvin, this personnel arrangement makes it possible to effectively resolve difficult problems in the transition to market relations.

"In the early days," Zhilkin explained, "our privatization projects and the establishment of joint-stock companies were viewed unfavorably in production associations and enterprises, to put it mildly. Now, the managers themselves are interested in the success of reforms, and do not want to turn back to the old methods of economic management."

I received confirmation of this from many managers. I will cite one example that shows especially graphically what changes have occurred and are occurring, and what plans collectives are outlining for the short term.

Among the founders of a joint-stock company of the open type, the Yug Investment-Financial Company, besides entrepreneurial structures there are the Lotos shipbuilding plant, the Kaspybkhodflot, the Volgotanker steamship line, a fish canning combine, and a number of other enterprises. Why? Recently production remained almost at a standstill due to a shortage of resources. One of the areas of activity of the Yug company was financing enterprises for technical reequipping, introduction of modern methods, and management of production for the development of new technologies and types of equipment.

Regarding the projects that Yug is already implementing or preparing, it can be judged how much the positions of the market economy have been consolidated in the oblast. Vladimir Melakin, Yug's general director, told me about the company's participation in the development of shipbuilding, construction of dry cargo ships in short supply of the "river-sea" type, financial support of large-scale programs of industrial breeding of fish of the sturgeon species, and reconstruction of old and creation of new capacities for expanding the assortment and increasing the volume of output of mass consumption goods.

It is noteworthy that Anatoliy Guzhvin, head of administration of Astrakhan Oblast, is among the three cochairmen of the council of industrialists and entrepreneurs. Yuri Seleznev, one of the other cochairmen, manages the leased enterprise Astroteks. The volume of production of commodities in Astroteks has also increased, amounting to 105 percent by comparison with 1991.

Recently prices for products in Astrakhan have remained lower than in other neighboring oblasts.

To be sure, Anatoliy Guzhvin, head of the oblast administration, was reserved in evaluating the results achieved. However, the stabilization of the volume of production captured by statistics, and stable indicators in the plus column, in a number of sectors, month after month, already amount to something at this stage.

Gornyy Altay's Birthrate Drops

934F0172C Moscow LESNAYA GAZETA in Russian
11 Feb 93 p 1

[Article from ITAR-TASS. No title]

[Text] The republic's newspaper ZVEZDA ALTAYA has reported that for the first time in the entire history of

Gornyy Altay, a decrease in population occurred in 1992, that is, the death rate was higher than the birth rate. According to the newspaper's statistics, only 583 infants were born in Gorno-Altaysk, while the total number of deaths was 611.

Experts believe that the worsening of the demographic situation in the Republic of Altay is linked mainly to the continuing decrease in the birthrate due to conscious efforts to limit births. This can be explained first and foremost by socioeconomic instability and the sharp increase in the cost of living.

Moscow Authorities Accused of Flouting Democracy, Pankov Responds

934F0191A Moscow KURANTY in Russian 12 Feb 93 p 4

[Appeal to the residents of the City of Moscow and the Supreme Soviet of the Russian Federation by people's deputies of the Moscow City Soviet who are members of the interfactional association "Legality and Democracy," and a reply by A.S. Pankov, KURANTY editor-in-chief: "But Who Needs Chaos?"]

[Text] To A.S. Pankov, Editor in Chief of KURANTY, Esteemed Anatoliy Semenovich!

In accordance with Article 26 of the law of the Russian Federation "On the Status of a People's Deputy of the Local Soviet of People's Deputies of the Russian Federation," I request that you publish the attached appeal, signed by 19 people's deputies of the Mossovet [Moscow Soviet of People's Deputies] of 25 January 1993.

[Signed] Deputy Chairman of the Mossovet Yu.P. Sedykh-Bondarenko

Appeal to the Residents of the City of Moscow and to the Supreme Soviet of the Russian Federation.
25 January 1993.
City of Moscow

The crisis of authority in the capital of Russia has entered a critical stage.

The impoverishment of a majority of Muscovites and their growing uncertainty about tomorrow, and the elimination of elementary social guarantees for the disabled population of the city are in sharp contrast to "the beautiful life" of the mixed pack of swindlers who pose as the cream of Moscow's private business.

In the city's trade and industry, and in its "market economy," there is a preponderance of enterprises controlled by the "mayor's office" and by those interested in creating and supporting a commodity shortage and monopolistically high prices, which have become the source of enrichment for corrupt officialdom and criminal business. Desecrated Moscow, at one time beautiful and pure, has been transformed into a stinking rubbish heap.

An orgy of criminal terror has become a daily reality. Ordered murders and internecine showdowns of competing "firms" are accompanied by fire from automatic weapons and grenade explosions that bring blood and death to peaceful citizens.

All of this is only a part of the anomalous occurrences that we, deputies of the Moscow Soviet, are responsible to the Muscovites who elected us to overcome.

Deliberate and flagrant violations of the Constitution and the laws of Russia by the president, the presidium, and the chairman of the Supreme Soviet, the so-called administration (the "mayor's office" and the "government") of the city, the mafia atmosphere in all authoritative structures, the venality of officials who try by any means to avoid the control of representative authority, the inaction of the Procuracy and the Constitutional Court, the unprecedented scale and unbridled slander of the Moscow Soviet in the mass media, which has actually grown into the persecution of the deputy corps, is the work of hands in the city that govern the "indestructible bloc" of CPSU nomenklatura disguised as democrats and Democratic Russia who intend to build an elite preserve of capitalism, a kind of paradise for official use, on the bones of a majority of the citizens.

To prolong its stay in power and to delay the inevitable retribution that awaits it, the nomenklatura elite, like air, needs a situation of chaos, disorganization, continuous shady enterprises, and open robberies and thefts, covered by hypocritical twaddle about "the building of a rule-of-law state" and "market reforms."

Its true political ideals were and remain a state in its pocket and a tamed law. While remaining in power, it will destroy any state and reject any constitution and laws that do not respond to its requests.

The conviction is evolving that the Supreme Soviet of the Russian Federation is indifferent to what is happening in the capital. Judging by everything, that arbitrariness and illegality that were started by the anticonstitutional decree of its presidium, "On the Status and Structure of the Organs of Administration of the City of Moscow—the Capital of the RSFSR," suit it. It did not react to the illegal edict of the president concerning the expansion of the powers of the organs of administration of the city of Moscow, it closed its eyes to the joint decree of the president and his chairman "Concerning the Administrative-Territorial Division of the City of Moscow," which rudely invaded the jurisdiction of the Moscow Soviet and gave rise to that unlimited administrative tyranny that now reigns in the city.

But if failure to observe the Constitution and the laws is justified for Moscow, can Tatarstan and Chechnya be condemned for their violation?... Is it not with Moscow that the process of the dissolution of the Russian state started, over which even somewhat responsibly thinking representatives of authority, regardless of their political

orientation, are racking their brains to stop? After all, if this does not occur, then any plans of state restructuring are senseless.

Inasmuch as the Moscow Soviet is deprived today of an opportunity in the evolving situation to implement the functions of a representative organ of state authority that are entrusted to it, to ensure the normal functioning of the capital of Russia, the effective protection of the rights and safety of citizens, legality and law and order, to protect the interests of the population of the city, and, not desiring to remain a frivolous decoration, a juridical screen that conceals the full actual diktat over the city by nomenklatura-mafia structures with the appearance of a division of powers, we, the deputies of the Moscow Soviet of People's Deputies, appeal to the members of the Supreme Soviet of the Russian Federation with a request to examine the question concerning the early conduct of elections of people's deputies of the Moscow Soviet immediately following the elections for the head of the Moscow city administration.

In taking this step, we are confident of the full support and understanding of Muscovites.

Let the people themselves evaluate and judge.

[Signed] People's Deputies of the Moscow Soviet of People's Deputies—members of the interfactional association "Legality and Democracy."

Bogolyubov, A.A., Bykov, G.N., Galaktionov, V.B., Golubov, B.N., Gusev, A.G., Dmitriyevskiy, I.M., Dyakonov, L.I., Ivanishin, M.M., Ikishebeli, V.A., Koshevarov, A.A., Kuzin, V.A., Popov, V.V., Protasova, V.S., Sedykh-Bondarenko, Yu.P., Slavina, R.A., Sumarukova, N.M., Khvatikov, V.N., Tsopov, A.A., Yakovleva, N.D.

KURANTY Editor in Chief Anatoly Pankov's Reply to the Appeal of the Moscow Soviet of People's Deputies Interfactional Association 'Legality and Democracy.'

It was possible to do without comments on the "appeal" of a small group of deputies. As a rule, when publishing calls and appeals of political forces of every stripe, we let the reader himself draw his own conclusions. But some of them are puzzling: Why then publish various kinds of rubbish in a progressive newspaper (see the letter in this issue)? Sometimes—so that the reader would know various views. But at times, we are simply obliged, regardless of our position: The for order or his individual representatives demand it.

Moreover, there is this legal paradox here: According to the law on the press, we do not have to publish similar opuses (we are obliged only to report on official decisions), but we are obliged to do it according to the law on the status of a deputy.

So, we are publishing. And rather eagerly. Because I have not hitherto had occasion to read such a blunt and

aggressively rude "appeal" regarding legal executive authority signed by a group of deputies of the Moscow Soviet of People's Deputies (individual deputies express themselves even more scathingly). And let Muscovites know their "heroes" by name.

This is my opinion as the editor in chief of KURANTY.

Thus, we will go over some of the theses of the "appeal."

About "the crisis of authority." Yes, there is one, and it is intensifying. But is it not because a certain part of the deputies have declared a "holy war" against executive authority from the very beginning, contrary to common sense? The leader among the coauthors of the "appeal" in question is Deputy Chairman of the Moscow Soviet of People's Deputies Yu. Sedykh-Bondarenko. What did he do specifically to stabilize the situation in Moscow and to strengthen municipal authority? Nothing comes to mind. And I do not recall that any kind of businesslike proposals have come to KURANTY, for example, on the fight against crime. But, after all, Sedykh-Bondarenko bears the responsibility for this as a member of the presidium of the Moscow Soviet. On the other hand, a stream of information with "cover letters" has come to the editorial office, including under his signature, regarding the objectionable executive authority: Recall the epopee with the appointment of the chief of the GUVd [Main Administration of Internal Affairs], and the fight against structural changes and for the election of a new mayor.

In my opinion, all of this fuss promotes the confrontation of authorities, it diverts the executive authoritative organs from daily affairs, and it does not give them confidence in themselves.

Given all of my suspicion of the nomenklatura (especially of the CPSU ilk), I cannot agree at all with the assertion of Sedykh-Bondarenko and company that the nomenklatura needs a situation of chaos and shady enterprises. Real economic managers require stability. On the other hand, such a situation is necessary to the deputies who do not work on real matters, but on political intrigues, in a fight for power, and for deputy seats.

At the last session, Sedykh-Bondarenko proposed to eliminate the presidium from the Moscow soviet. Why? No matter what, at the very least, this organ considers businesslike questions and effectively makes specific decisions. Whom did this hurt? I will risk making the assumption: Some of the deputies do not like the current composition of the presidium—there are "too many" there of those who are ready to cooperate with the executive authority (in the interests of the city and of Muscovites!) and who are for real reforms.

But now, a new proposal is expressed in the "appeal" that is also directed at the destabilization of the political situation—ahead of schedule reelections to the Moscow Soviet. Yes, the authority of our soviet is extremely low, and its resulting quality is close to zero. And I am not talking about this with malice, but with pain: The

question arises as to why I struggled against two dozen contenders for a deputy's seat, if it almost gives no satisfaction and, it would seem, there is little with which to help Muscovites in their troubles?

In my view, it is not possible to hold reelections at this time, for two basic reasons.

New elections can be effective only after a reform of soviet authority. The main thing is that there should not be more than 150-200 permanently acting deputies in the city soviet. And it is necessary to elect them for a shorter term—three to four years. But we will now receive a new "talking pool," and no more. Why make a pointless exchange?

And the second reason—special elections for deputies (as, incidentally, for mayor as well) will divert forces and resources from daily problems. This is too expensive a payment to satisfy the ambitions of certain political groups, to which I also consign a majority of the deputies who signed this "appeal." I think that the lesser evil is to put up with the present composition of the Moscow Soviet. Especially since there are quite a few efficient people and workers there who do not rush to microphones and to the pages of newspapers, but who quietly do their daily heavy work and who in reality, and not just in words, try to protect Muscovites from illegality and from the arbitrariness of officials, and help the ordinary people to survive under the difficult conditions of fundamental reforms.

I also hope that the people will figure out who is the true defender of their interests and who, hiding behind this slogan, is pursuing his own political aims.

Moscow Poll Reveals Lacking Sense of Security

934F01884 Moscow KURANTY in Russian 17 Feb 93 p 2

[Article by Oleg Savelyev: "We Are Afraid"]

[Text] On 30 January 1993 the Moscow branch of the All-Russian Center for Public Opinion Research (VTsIOM-Komkon) surveyed around 2,100 residents of the capital. Polls of this kind in the biggest Russian cities have been coordinated by the Russian Center for the Study and Forecasting of Social Processes (St. Petersburg, Director L. Keselman)

The responses to one of the questions: "Do you feel safe from possible physical assaults or other criminal actions in our city?" are presented in percentages below along with the responses to the same question in a comparable poll conducted by the same agencies in November 1992

Responses	Nov 92	Jan 93
No	88	86
Yes	7	8
I am not sure, I do not know	5	6

The following are the responses to another question: "Have you or anyone you know been the victim of physical assaults or other criminal actions?":

Responses	Percentages
No	38
I have not, but someone I know has	18
I have not, but several people I know have	21
I have been a victim once	14
I have been a victim several times	9

It is indicative that the fear of becoming a victim of crime in some segments of the population is not always directly related to personal experience with criminal assaults. Respondents from the older age groups (over 55), for example, are most likely to fear crime, although these same elderly people, by their own admission, have been less likely to experience the effects of criminal activity directly.

Respondents from the younger groups displayed the opposite tendency: less fear, but more frequent direct encounters with criminal elements.

Counterfeit Dollar Production in Moscow Noted

934F0188B Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 Feb 93 p 1

[Text] Sergiyev Posad appears to have become a new center for the sale of counterfeit money in the Moscow region. People in the Moscow City and Oblast Administration of the Russian Federation Ministry of Security told the MOSKOVSKIY KOMSOMOLETS correspondent that Russian citizens tried to sell counterfeit 100-dollar bills three times in just the last month and a half at the Sergiyev Posad foreign currency exchange center. Experts said that the bills were of excellent quality and looked almost genuine. A few days ago one of our fellow citizens tried to exchange 20-dollar bills "generated" with the aid of a color Xerox machine. When the citizen was asked to hand the currency over for inspection, he disappeared.

Moscow Transportation Costs Continue To Rise

934F0188C Moscow MOSKOVSKIY KOMSOMOLETS in Russian 17 Feb 93 p 1

[Article by Vladimir Lesovets: "Stock Up on Bicycles: Transportation in Moscow Will Be Costing a Pretty Penny"]

[Text] Municipal passenger transport fares rose dramatically in Moscow on Tuesday (16 February). The cost of one ride and one baggage ticket on a bus, trolleybus, or streetcar, regardless of the distance, is 4 rubles, and the fare is even higher on the subway—6 rubles.

A monthly pass for municipal buses, trolleybuses, and streetcars now costs 160 rubles (72 for students), a suburban bus pass costs 540 rubles (108 for students), and a subway pass costs 240 rubles (108 for students). A monthly pass good on all four types of transport is 600 rubles (180 for students). The cost of all passes is twice as high for enterprises, organizations, and establishments as for citizens.

Passenger fares on the regular buses of Moscow's suburban routes will now be 1 ruble for each passenger-kilometer, and the fare on buses with reclining upholstered seats will be 1.5 rubles for each passenger-kilometer. The cost of a luggage ticket on suburban buses, including those going to the Moscow airport, will be 6 rubles for distances up to 25 kilometers, 12 rubles for 26-50 kilometers, 18 rubles for 51-75 kilometers, and 24 rubles for 76-100 kilometers.

The only good thing is that all special privileges in municipal passenger transport will be retained by pensioners and other citizens who were eligible for the earlier privileges by order of Premier Yuriy Luzhkov of the Moscow Government.

The last change is that it will not be worthwhile to sneak onto public transport now: People who use public transport without paying their fare will be fined 200 rubles.

Moscow Mayor's Pricing Experiment in Local Stores Detailed

934F0188D Moscow KURANTY in Russian 18 Feb 93 p 5

[Article by Nikolay Oleynikov: "Set Free—With a Net Profit"]

[Text] An experiment is being conducted in Moscow by order of the mayor: 36 stores have been allowed to set their own markups on foodstuffs purchased directly from other regions.

At first the merchants themselves knew little about the experiment. After all, today there are no rayon trade administrations to convey orders "from above." Even the designated experimental merchants did not understand the situation immediately. Some did realize the benefits this new development could provide, but they did not take action in time: They lacked stable contacts, a choice of profitable commercial bids, and available funds.

Experts from the Consumer Market and Services Department and the Price Policy Administration made a progress report 10 days later. They learned that the most efficient merchants had already managed to bring butter from Vologda, chickens from Vladimir, cheese from Smolensk, various types of fish from Murmansk, vodka from Yaroslavl, and sunflower oil from Krasnodar into Moscow.... In addition, they had acquired beef, granulated sugar, noodles, and other products.

Given the empty shelves in many stores, even these minor achievements could be taken as a good sign. The purchase volumes are still negligible, but as store directors said, they had almost never felt in charge of things until they were able to set a high markup on some goods—and freely!—and then use these additional profits to lower the prices of other goods. Before they had the chance to set prices independently, price reductions of this kind would have resulted in direct losses. Now they have become indirect: All of the modestly priced products were quickly purchased and the money was put back into circulation....

There have been different responses to this new opportunity. The directors of downtown delicatessens have fearlessly charged a 100-percent markup: They know that people will buy their products anyway. This has not been a common response, however. Citydwellers do most of their shopping in supermarkets in "bedroom communities" with a stable clientele. The director of one of these cited a simple example. The Moscow Refrigerated Storage Base is taking advantage of its monopoly status by offering to supply stores with beef at 400 rubles a kilogram. With its markup of 16 percent and a store markup of 15 percent, the price of a single kilogram would be 500 rubles. The store could buy the same beef from a provincial city for 270 rubles, however, and then sell it to the customer at only 339 rubles even after adding a modest 25-percent markup. This is absolutely phenomenal in comparison with the "average" prices in other stores.

Of course, prices are changing every day because of inflation, and commerce itself is an extremely demanding line of work, requiring expenditures on trips and negotiations. Many merchants, however, want to be included in the experiment now, but the department is still studying the situation, trying to discern the drawbacks of this pricing policy. They do exist. Store managers are complaining about a shortage of working capital and cash: These are almost essential for the circulation of money and goods.... Is it possible that this plan will work?

St Petersburg Privatization Viewed as Successful

934F0144A St. Petersburg SMENA in Russian 6 Feb 93 p 2

[Article by Dmitry Travin: "Privatization in St. Petersburg: Real Success, or an Illusion?"]

[Text] Privatization is one of the few areas where St. Petersburg has achieved success. Its pace is faster than the national average.

Debate as to whether it is possible to destroy the purity of socialism by denationalizing the economy has essentially receded into the past. The hubbub of privatization has so engulfed people today that one can confidently consign to the archives the works that sought to prove the incompatibility of the Russian mentality and private

enterprise. Adult men and women are actively bargaining over voucher prices on every street corner. Other citizens, united in labor collectives, are bargaining with the state for special benefits in privatizing their enterprises no less intensively.

But debate of another, more concrete character than polemics over the admissibility of private property has appeared. Objections to the actions of the City Property Committee (CPC) can be divided into two groups. The first is objections relating to its handling of everyday matters. The second group is scholarly disagreements.

Can Upset Citizens Blame the CPC?

The average St. Petersburg resident is usually upset when stores to which he is accustomed are closed down during privatization. However, misgivings on this score have evolved somewhat of late. A year ago, one could still hear complaints that a store closed for renovation by the private operator who bought it was never going to reopen. The arguments of privatization proponents who said that the private owner was no fool and wasn't going to buy a store and never use it were not accepted by the average citizen duped by socialist reality.

Today, at a time when virtually the entire city center has been filled with new commercial structures, only a blind person could make such a claim. But now quite justified complaints of another kind have appeared. Accustomed food stores are being closed and replaced by "shops" selling clothing and goods.

No one is trying to deliberately limit the sale of food in the course of privatization. But there are fully objective reasons that account for these changes. They do not have to do with any mistakes by the people privatizing them.

First, the state's economic policy makes food sales the most risky line of business to this day. It became possible to sell manufactured goods on a commercial basis all but at the dawn of perestroika. But as for milk or meat, liberalization in this area began only a year ago. And it has had to grapple with enormous difficulties. Restrictions on trade markups were maintained for a long time. Plans for new food price freezes appeared constantly. And look at the awesome dumping blow our entrepreneurs had to endure in connection with humanitarian aid shipments!

In short, virtually everything possible was done to discourage entrepreneurs from selling food.

Second, food sales, which in our country continue to develop on a planned basis, are often hardly concentrated where they should be. For example, in the central part of the city there are sometimes several stores for every small neighborhood, and so competition forces one of them to go into another line of business. Meanwhile, in the sleepy suburbs, no stores are planned for the best locations (on a street leading from the subway station).

In these conditions, it turns out to be much better to park a truck loaded with dairy products outside the subway station. On one hand, you can sell at a busy location, and on the other hand, the seller isn't risking his capital (if food sales are banned, he moves to another business). We can like or dislike this kind of truck vending, but we cannot deny the fact that business in our country has nonetheless developed as much as objective circumstances allow.

When the people get used to the thought that free prices have been allowed for food products in our country once and for all, when the politicians stop intimidating businessmen with bans, and when housing privatization makes it possible to vacate apartments located at very busy sites and convert them into stores, then private food sales in our city will reach the same intensity that trade in imported manufactured goods has reached.

'Song of Privatization.' Music by A. Chubays, Words by the People.

Serious scholarly objectives can be summarized as follows: The current privatization model is excessively populist. Labor collectives want to get as large a block of shares in their enterprises as possible. From an economic standpoint, this is bad for two basic reasons.

First, labor collectives are poor. After obtaining shares in their enterprise, they don't have a kopek to invest in it. If a plant is failing, it will continue to do so, but under the new name of "joint-stock company."

If, on the other hand, a rich foreign investor is able to buy a major block of shares through privatization, he can rebuild it, fire lazy workers, and thus lead the firm to prosperity.

Second, if the bulk of shares is concentrated in the hands of a labor collective, it is inevitable that, as soon as people become convinced that their once celebrated firm can't make a profit, a mass "unloading" of the securities will begin. The shares' value will drop sharply, and a panic will ensue at the exchange. As a result, controlling blocks will be acquired by rich people all the same, albeit at lower prices. But this will take place in an exceedingly complex way, the enterprise will be devastated, and the collective will be impoverished.

It is hard to disagree with this. Any scholarly debate would probably end in defeat for the architects of the current privatization model. However, there is one "but." They wouldn't try to defend this model.

The fact is that the architect of the current model is not so much a given official of some property committee as the people themselves. It is powerful lobbying from various quarters that prompted privatization proponents to modify their views and led to the formation of the model that is currently guiding denationalization. Thank God that it has so far been possible to prevent passage of a draft law that would give priority in privatization to

labor collectives and that communist-leaning deputies have been vigorously supporting.

And so the alternative today is this: Either we carry out privatization, albeit not in the best way, or we get bogged down in endless discussions with labor collectives that are certain to end in victory for the latter, a reshuffling of the existing structures of the State Property Committee, and a sharp break on the entire privatization process. The first option is preferable.

Still, some mitigating of the conflicts is possible. For example, some people in the St. Petersburg CPC support the following option, a very sensible one: sell large blocks of shares (up to 20 percent) in enterprises being privatized at investment auctions. This means that not only will blocks of shares wind up in the hands of a single owner, but also that he will also be obliged to make sizable investments.

In order to find an ally in this complex undertaking, privatizers are making a special effort to interest enterprise managements, which would acquire a roughly equal block of shares (20 percent) to manage as a trust. The director can rest easy—no one is going to take away his power.

The proposed system might be able to settle the conflicts that have arisen and lay the foundation for a normal private-ownership mechanism. Provided that political feuding doesn't get in the way.

Joint Enterprises Complain About City Economic Policy

934F0145A St. Petersburg SMENA in Russian
29 Jan 93 p 2

[Interview with V. Kolovay, president of the St. Petersburg Association of Joint Enterprises and president of the Lenvest concern, and G. Volodchenko, general director of Lenvest, conducted by Ye. Dushkina: "For Now It Is Profitable in Russia To Sell, but Not To Produce: Leaders of Petersburg's Association of Joint Enterprises Reflect on This"; date and place of interview not given]

[Text] [Kolovay] Over these years in our region a good many joint enterprises have been established that, having studied other firms' experience, immediately began to engage in normal, honest business. The association, which began with just a few enterprises, now has 72 joint enterprises as members. Many, to be sure, have not formally joined it but are taking advantage of our experience, and a good deal of it has been accumulated. Therefore, I think, the association has accomplished its main task—to teach how to do business correctly—and is continuing to accomplish it.

Of course, these years have been very difficult for the country and for all joint enterprises. I believe that thanks

to such an association as the Association of Joint Enterprises, joint entrepreneurship in St. Petersburg not only has not died but is continuing to develop.

Another point. The association is promoting contracts between joint enterprises and the city's governmental structures. We have repeatedly provided assistance to various sorts of joint enterprises in solving problems that arise, and we have directly contacted the city's leadership and tried to solve those problems together.

[Volodchenko] Do you recall President Gorbachev's notorious "sabotage" edict, which authorized breaking into the offices of joint enterprises, sealing the tills, conducting various sorts of "checkups," and so forth? At that time, for example, we managed to persuade the city government that this would only frighten away foreign investors and lower the business activity of joint enterprises. Fortunately, this was taken correctly, and checkups in Petersburg were conducted in a civilized fashion and touched only five joint enterprises that had municipal property.

[Dushkina] Considerable time has passed since the edict to which you refer. And how would you assess the present policies of the mayor's office and the city authorities in attracting foreign capital to our city? What pluses and minuses do you see here?

[Kolovay] In order for our city to become the city that we would like to see, serious investments are needed. Have they appeared? There are difficulties, of course, but I think that the city's authorities are perfectly capable of solving the present problems. Overall state policy and, say, the constant changes in the ruble's exchange rate and in laws are another matter.

[Volodchenko] How can a favorable investment climate be created here, in Russia? It would seem that all of our laws are so attractive, but guarantees are provided in words only, and there is still no actual mechanism.

As for the Russian authorities' attitude toward entrepreneurs—I believe that there are still echoes of the past in the actions of the mayor's office and the city soviet. Unfortunately, the governmental structures sometimes try to manage the process of the development of entrepreneurship too directly. I am a member of the collegium of the mayor's office committee on economic reform and I recently received the concept of the development of entrepreneurship in St. Petersburg. In it you simply can read between the lines attempts to "organize" all this, for example, to "establish a small business association in every rayon." One cannot establish them. If business people find it interesting and they feel some sort of need for association, they themselves will do it.

[Kolovay] The attempts to direct will evidently wither away of their own accord in time, because the state or the structures that govern the city today cannot assume responsibility for enterprises' performance. They should only facilitate their work.

[Volodchenko] The city authorities could facilitate the establishment of a real infrastructure—a network of banks, of which there are currently not enough, business centers, consulting firms, and a data base where one could obtain any information about our enterprises. At present this, unfortunately, does not exist. Therefore, our association, the Lenvest concern, three mayor's office committees—on economic development, property management and foreign relations—and also the Temp Joint-Stock Company have acted as founders of the Regional Development Fund. The fund may provide an assessment of and promote a given project. This means, first and foremost, the establishment of a business center using the facilities of the former House of Political Enlightenment, a number of food projects, the construction of housing, and others. So, the fund's fundamental task is to solve the city's problems.

[Dushkina] Evidently, many joint enterprises could help solve some of the city's problems. However, most of them today are engaged in brokerage activities, while there are very few production enterprises such as Lenvest.

[Volodchenko] Today, unfortunately, it is unprofitable to engage in production because of the existing system of taxation. For many joint enterprises, organizing trade or brokerage remains the only way out. Even Lenvest is forced to engage in foreign trade activity; it has a special firm.

[Dushkina] Two years ago it was predicted that the number of joint enterprises would rise rapidly. That did not happen. What, in your view, is the reason for this?

[Kolovay] Well, how do you answer, if the government makes a decision to freeze joint enterprises' deposits in accounts in the Bank for Foreign Economic Activity? Does this contribute to business activity? Let's say that Lenvest withstood this blow and continued to build up its capacity. But if it is a relatively small joint enterprises that has its last foreign exchange taken away and is now told that in 1994 it will receive 20 percent, and sometime later another 20 percent, and at some time will receive everything? That, of course, stopped many entrepreneurs.

Nonetheless, I can say that now very serious business is starting to come to us. Whereas these were previously small and medium-sized firms, at present there are a number of interesting proposals from large concerns that want to work in our market if there is normal legislation. But we should rid ourselves of the idea that someone will buy us all up. After all, if there are profits, they are divided among the founders, and if Russian Federation structures act as these founders, that benefits the city, first and foremost.

There is no point trying to hide the fact that government decrees provided important breaks for joint enterprises. It was advantageous for state enterprises to establish joint enterprises in order to avoid taxes.

Now that joint enterprises have lost those breaks, the growth rate of enterprises with foreign participation is

dropping. However, that is normal. It will make it possible to take a more careful approach to the choice of potential business partners. And the defining factor for the establishment of a joint venture will become not the Russian partner's possession of facilities (and that has sometimes been the case), but his market experience, technologies and know-how.

[Dushkina] In which branches of Russian industry, in your view, is the establishment of joint enterprises in the future promising?

[Volodchenko] If one is speaking of priorities, defining them belongs to the functions of the mayor's office and city soviet. It is not enough to say: joint enterprises need to be established in the area of the food industry or the services sector. It is necessary for work in those branches to be connected with certain breaks—in taxation, the distribution and investment of profits, the provision of credit, and customs duties. Let's say that we want to develop the food industry, which, as we know, is in a semideveloped state, in the city. In that case, we need to get the government to provide that all profits that go for the development of production not be taxed, and that foreign firms receive preferential treatment in importing component parts and equipment. If I want to obtain credit at a bank, then it should be not at 140 percent interest, but at 50 percent. In that case, unquestionably, firms will invest their money in the business.

[Kolovay] One more example. Lenvest's complex production requires the constant presence here of foreign specialists. And we have encountered such a factor as the taxation of their wages. After all, it is absurd when foreign colleagues working with us pay taxes today on earnings that are paid to them abroad. And when conversion to rubles begins, the result is a very large sum. And the outcome is that foreign specialists are forced to leave here. Well, what sort of normal entrepreneur, separated from home, will pay a tax of 40 percent!?

We have repeatedly approached the government and the Supreme Soviet about this problem, but the matter has not yet moved off dead center. Although neighboring Belarus has resolved this issue.

[Dushkina] And the final question: how do you see the association's immediate future?

[Kolovay] Let us dream that the association will bring together not only joint enterprises but also other commercial structures and banks. Let us think about establishing a kind of club for association members and other entrepreneurs. Let us plan to take active part in the drafting of Russian legislative acts aimed at the development of entrepreneurship.

'Mein Kampf' Publisher Prosecuted

934F0149A St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 11 Feb 93 p 1

[Article by Yuliya Shum: "Trial of 'Mein Kampf' Publisher Has Begun"]

[Text] Yesterday the trial in the case of the chairman of the Volkhy [Sorcerer] Cooperative, Viktor Bezverkhiy began in the city court. For the publication and dissemination of Hitler's book "Mein Kampf" [My Struggle], the procuracy accuses him of stirring up international conflict (Article 74, Part 1 of the Criminal Code of Russia).

Viktor Bezverkhiy is over 60 years old. In scientific circles he is known as a philosopher, linguist and former teacher of Leningrad State University. In political circles—as one of the ideologists of the national-patriotic movement in Russia, which is cultivating the superiority of the Russian nation.

Already 5 years ago, the competent organs became interested in the activity of Bezverkhiy. In his works "Antropologiya" [Anthropology] and "Bukvar" [Primer], he argued the necessity of the physical extermination of "inferior nations and nationalities"—Jews, gypsies; he argued that the best ideology for Russia is fascism. Together with persons having the same views he created the Obshchestvo volkhvov" [Society of Sorcerers], whose structure envisages the creation of militant groups of the type of the SS storm detachments in fascist Germany that carry out the will of the "sorcerers."

A year and a half ago, Viktor Bezverkhiy organized the publishing cooperative "Volkhy", under whose roof 300 copies of a short translation of Hitler's book "Mein Kampf", with a foreword of the New York Publisher "Russkiy klich", were published last summer and put on sale. An expert opinion established the criminal character of all texts of the pamphlet as "aimed at the stirring up of national animosity and conflict." This served as the reason for the institution of the criminal case according to Article 74, Part 1 of the Criminal Code of Russia.

For 2 months Bezverkhiy hid from the investigation, for which after his arrest he was put into a pretrial isolator. During the interrogations he tried to prove that he published Hitler for commercial purposes. This version is vulnerable since the entire edition was sold at a discount of 25 percent of its cost, and the entire sum gained went for the compensation of publication expenses. Documents seized during a search in his home—books of Hitler, publications of anti-Semitic content, correspondence with some "Russian fascist" living in Germany, which contains discussions of the inferiority of Jews and the necessity of fighting against them—will also become evidence against Bezverkhiy. But the chief evidence of the philosopher's guilt will probably be an oath introduced in the case, which was written by him in his own blood on a scrap of paper: "I swear to devote my entire life to the struggle against Judaism—the mortal enemy of mankind."

The decision of the city court in the case of Bezverkhiy, about which we will report later, may become a precedent, on the basis of which the judicial practice and the criterion for the assessment of publications of fascist content will at last appear.

St Petersburg 'Left Radicals' To Push for Alternative Referendum

934F0149B St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 3 Feb 93 p 1

[Article by A. Rabkovskiy: "Expect Pickets: The Left Radicals Are Strongly Inclined To Realize the Idea of an Alternative Referendum on the Russian Constitution"]

[Text] Activists of the RKR [Russian Communist Workers Party], the movement "Nashi" [Ours], and a number of other forces of radical leftist orientation are strongly inclined to realize the idea of an alternative referendum on the Russian Constitution. On Monday evening, they held an organizational meeting in the club of the Staleprokatnyy zavod [Steel-Rolling Plant] for the purpose of instigating the collection of signatures for such a referendum.

More than 300 participants of the meeting practically unanimously approved the formulation of the single question which they want to submit for an all-Russian plebiscite: "Are you for the Soviet Constitution which guarantees the power of the workers, the right to work, low prices, free healthcare and education, a dignified old age, and housing accessible to all?" One cannot but note that, in the conditions of the present inflation, the increase in prices, and the complete confusion with medical insurance, such a formulation may seem exceedingly attractive to simple Russians.

A solid energetic group of 70 people was selected.

In the words of the leader of the RDRP, Viktor Tyulkin, analogous meetings have already taken place in Moscow, Vologda, Chelyabinsk, and other cities in Russia. True, up to now one can hear nothing about the beginning of the collection of signatures.

Well, here in St. Petersburg, the city soviet, where the protocols of the meeting have been sent, has the final word. Its organizers are convinced that they have not deviated one iota from the existing legislation, and therefore have no doubt that the collection of signatures will be allowed. So that at the end of February, at the most crowded places in the city, at subway stations, above all, pickets with signature lists will once again appear.

St Petersburg Mayor Appoints Deputy for Economics

934F0149C St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 12 Feb 93 p 1

[Article by V. Yakovlev: "To Sweep Aside the Obstacles Together"]

[Text] Still another deputy has appeared in the office of the mayor of St. Petersburg—a deputy for the management of the city's economy. Vladimir Anatolyevich Yakovlev, almost the entire life of whom has been connected with the most difficult housing problems of Leningrad-St. Petersburg, was appointed to it. He was

born in 1944 and was graduated from the extramural Northwest Polytechnical Institute. From 1968 to 1987 he worked in engineering posts in the construction and housing services of the city, and from 1987 to the present—as deputy chief of the main engineering TPO [territorial production association] for housing.

Yesterday our correspondent asked Vladimir Anatolyevich to answer a single question: Which of the city's problems seems to him the most difficult?

"Yes, they are all difficult," came the answer. "Both the repair and reconstruction and the maintenance of the existing housing. Planting the city with trees and gardens, clearing it of dirt and the blockage of rubbish. But gradually a great deal can be solved if the townspeople—the superiors, the common people, as well as the press—will act together.

And messieurs the businessmen, too, must not stand aside. It is very good that they have occupied the basements and ground floors of many buildings and established order here, and have delivered the city partly of mosquitoes. But why should they not concern themselves with the buildings themselves, the redecoration and painting of the facades of the same Nevskiy [Prospekt]? This is only one example. But there are thousands of them, where it is possible to combine efforts and make someone responsible in the interest of the development of amenities and the improvement of the maintenance of the city. And on this plane, I repeat, I am very much counting on the assistance of the press, with which I am prepared to cooperate in the closest manner."

Police Shut Down Voucher Scam

934F0149D St. Petersburg ST. PETERBURGSKIYE
VEDOMOSTI in Russian 12 Feb 93 p 1

[Announcement by the Main Administration of Internal Affairs of St. Petersburg to the inhabitants of St. Petersburg about voucher scam]

[Text]

Dear Residents of St. Petersburg!

Many who have given their vouchers or money to the Amaris Joint Stock Company and the Revansh Association with Limited Liability have ended up without vouchers, without money, and without the promised income. In connection with this, social tension has developed and mass protest actions are being held. The Main Administration of Internal Affairs addresses itself to all the victims with the request to maintain their self-control, to refrain from taking actions that infringe on the normal vital activity of the city economy and the public order, and to act only through legal means. Any mass actions only make the work of the law enforcement organs more difficult.

On the basis of the facts of the infliction of property damage to persons who concluded contracts with the

Amaris Joint Stock Company and the Revanch Association with Limited Liability, criminal proceedings have been instituted and an investigation has begun, which will be conducted by the investigation unit of the City Administration of Internal Affairs.

The number of victims of the Amaris Joint Stock Company and the Revanch Association with Limited Liability number in the tens of thousands. No state structure is in a position to accept claims from such a number of people and to conduct the necessary legal actions simultaneously, or even in several days. The Main Administration of Internal Affairs is not carrying out the necessary organizational measures aimed at securing the most rapid and effective work with the claimants in this case.

St Petersburg Soviet Chairman Answers Corruption Charges

934F0139A St. Petersburg SMENA in Russian
22 Jan 93 p 1

[Article by Aleksandr Gorshkov: "Aleksandr Belyayev Is the Center of Attention"]

[Text] City prosecutor Yeremenko's case, "A Gross Violation of the Law on Social Protection of the St. Petersburg Population," became the subject of a discussion that took up almost all of the work of yesterday's city soviet session.

Let us recall that the prosecutor accused Aleksandr Belyayev of unlawful use of resources from the Fund for Regional Support of the Population, which manifested itself in the granting of advantageous credits to some commercial banks. The city prosecutor saw illegal financial transactions in these actions.

Aleksandr Belyayev's position is also well known: The funds were allocated to the banks for financing specific goals and programs for the city's needs. Moreover, this granting of credits enabled at least some of the funds to be protected against inflation. Belyayev asserts that he acted in accordance with a Minor Soviet decision that gave him the right to coordinate the mayor's decision on allocating loans from the regional fund.

At a press conference that was held yesterday, the city soviet chairman once more recalled to whom and for what purposes he allocated the loans. Altogether during June-August the regional fund granted seven credits. Two of them—of 30 million rubles [R] each—to the Lombard Association and to a grain-products combine bore no interest.

Appropriate decisions by the Minor Soviet were the basis for this financing. The combine received funds needed for continuing the rebuilding because of the cutback in financing by federal authorities.

The Stankinbank for the Machine-Toolmaking Association imeni Sverdlov was allocated 50 million on the basis of a new product—the output of tractors for the forestry industry.

The Fund for the Protection of Public Order received 10 million at 53 percent for the construction of housing for militia personnel.

The Baltic Bank received 50 million at 50 percent at the height of the June nonpayment crisis, for paying wages to transport complex enterprises.

In Belyayev's opinion, the prosecutor, when preparing his case, did not carry out the required procedural actions—he did not inquire about the appropriate papers. In particular, the case was sent to the city soviet at the start of December, but verification by the mayor's financial administration, which has a direct association with the issuance of credits, began just on 5 January.

Incidentally, the findings of the workers' deputy group that was engaged in preparing a review of this question during the city soviet session noted that "the prosecutor's case contains certain facts that do not correspond to reality," as well as inaccuracies. The workers' group also indicated that since the matter is not violation of the law but violation of one of the decisions of the Minor Soviet (specifically, "The Regional Social Support Fund"), then there was no basis for making a case with the formulation, "gross violation of the law."

Among other things, Aleksandr Belyayev noted, there were a number of the mayor's orders about allocating money from the Fund that did not pass through the soviet. One cannot help but doubt the existence of grounds for some of these orders.

For example, the mayor sanctioned the payment of additional pay to workers of the mayor's municipal automotive transport enterprise because of the rise in food costs.

Still another order touched on compensation for the increased cost of tourist-group tickets to the sanatorium, "White Nights," for the handicapped and for war veterans.

The prosecutor did not forget to mention that 11 of the soviet's staff took vacations with these preferential tickets, but he forgot completely that more than a hundred of the mayor's officials and directors of state and joint-stock enterprises had taken advantage of these same tickets. At the same time, eight handicapped persons received tickets through the Administration for Social Support. In the deputies' words, 25 associates of the GUVd [Main Administration for Internal Affairs] visited the sanatorium on the privileged tickets.

As a result of yesterday's discussion, a draft was presented to the workers' deputy group as a starting point for a decision. The draft establishes a violation by the city soviet chairman and his deputy of certain articles of the Statute on the Regional Fund in making temporary use of the fund's resources.

It also pointed to violation by the mayor and vice-mayor of the procedure for expending the fund's resources.

The workers' group considers it desirable to inform the General Prosecutor of Russia that the prosecutor's case contains some matters that do not correspond to actuality and is an unjust politicizing of said document.

St Petersburg Security Official on Foreign Agent Activity in Russia

934F0139B St. Petersburg SMENA in Russian
21 Jan 93 p 2

[Article by Vadim Nesvizhskiy: "KGB Dossiers Await Their Hour"]

[Text] Yesterday's press conference of Viktor Cherkosov, Chief of the Administration of the Minister of Security of Russia (MBR), was dedicated to the first anniversary of the ministry's formation and to the results of the MBR Administration's activity for the year for St. Petersburg and the oblast.

In the opinion of the current owner of the Great House, a practically new agency, under the canopy, moreover, of the laws on the security service and domestic intelligence that were adopted in 1992, was established in place of the KGB.

The main change, Cherkosov thought, was reorientation of the agency to the struggle with organized crime, the increase of which today "already today can affect the country's governmental foundations."

Nevertheless, the old predilections of the former KGB have not been forgotten: in Cherkosov's words, "the intelligence and counterintelligence organs are now even better equipped than they were several years ago and have not been truncated a bit." Which, as the chief of the Administration notes, is completely justified and explicable because of the "vigorous activity of foreign special services" in our area. In the colonel's words, definite complexities in the difficult struggle with the influx of foreign spies into Russia stimulates the use of "hostile" special services of countries close to the border as a "jumping-off place" for their insidious activity in the RF [Russian Federation]. Aside from the theft of our state secrets, the current James Bonds are occupied with something else: "We have every reason to think that foreign special services are carrying out their country's state task of organizing a brain drain from Russia," Viktor Cherkosov declared. "We are talking about specialists who are the common property and the national property of Russia." How the export of such "capital" is being prevented (given the existence of the obstacle of a man's right to free choice of place of residence), the colonel, unfortunately, did not explain. Then he added that in his "antispying" work, he had to encounter also the activity on RF territory of the special services of the new states "close to the border"—again without pinpointing whether the agents were from Ukrainian or Turkmen intelligence.

The main danger that Viktor Cherkosov sees occurring now is, in his opinion, an overflowing of criminality into the commercial structure.

The chief of the Administration thought that during the new elections these people will put forward their own candidates—and to prevent this it is simply necessary to use the security services. Based upon this, Viktor Cherkosov thought that the St. Petersburg soviet will introduce a legislative initiative for the adoption by the Supreme Soviet "to utilize the security organs' potential" when naming various state officials. All the more so since the MBR, judging by everything, has at its disposal extremely substantial "data banks" and will also be able to do the necessary screening of candidates for authority. Well, perhaps you will at least recall that we have lived in a country where any "candidate for authority" passed the check of the KGB. Is it necessary to return there?

Free Economic Zone Formed in St Petersburg

934F0139C St. Petersburg SMENA in Russian
22 Jan 93 p 1

[Article by Nataliya Zhukova: "Kronshtadt Will Be Opened Only for a Free Zone"]

[Text] After a couple of days the Presidential edict about the Yantar free zone was signed, and so everyone who works on similar projects took heart. Yesterday the local Kronshtadt authorities held a press conference. In accordance with an order of the St. Petersburg mayor, a free trade and customs subzone is being organized here, but Kronshtadt leaders consider that the city can lay claim to a different, a federal status for the zone that is being created.

The chief of the naval garrison, Aleksandr Melnikov, assures that both naval and civilian interests can live side by side within the framework of the free zone despite the arrival of part of the Baltic Fleet from the Baltic area. It is planned to deploy all the reinforcements only to those areas that now belong to the naval agency, since these areas—either on the island or in the water area—are not by far being used completely. Already today Navy Commander in Chief Gromov has decided to use some of the piers and the airfield for civilian needs. Housing for one and a half thousand sailors' families are being built on a 300-hectare session between Pulkovo and Lomonosov. The Ministry of Defense is spending no less than 11 billion rubles [R] on this.

The design of the Kronshtadt Zone is oriented to domestic capital, which should consist of 60 percent of investments, another 20 percent local capital. The remaining 20 percent will be foreign investment. Participants at the press conference, including the design's executive director, could in no way justify this ratio of the percentages (usually free economic zones are marked by a much higher scale of foreign capital that has been acquired). It is not clear specifically what customs-duty and other advantages the owners of the Kronshtadt

Free Zone will want to receive. Only one figure was heard: the tax on exports will be lower than that proposed by 15 percent.

Well-known foreign companies that have declared an interest in the project were named. For example, South Korea's Samsung does not want to transfer to Hong Kong (which soon will be Chinese) its advanced technologies, but to us—by all means. At the same time there are at the Kronshtadt naval yard a high-class shop for radio- and electronic-servicing, where the state order already has been cut by a third. It is planned that a conversion will be made at this yard, and the yard's capacity at the free zone will begin to operate. Also in line are firms from Germany, Sweden, Norway, Japan, and South Korea.

Interest by Russia's oil regions—Tyumen and Tatarstan—has been noted. There is in Kronshtadt a warehouse for fuels and lubricants with a capacity of up to 40,000 tons. No new oil-pouring base of any kind will be built, but the existing capacity will enable petroleum product forwarding to be performed. Kronshtadt has at its disposal facilities for cleaning oil-containing water, and there are only three in Russia.

Besides everything else, the unique city still attracts tourists extraordinarily. It was opened up to foreigners not long ago, and they found Kronshtadt for themselves. Now cruise routes for large ships pass through Kronshtadt, and hundreds of yachts call at the port.

But nevertheless the city will remain closed—more than 80 percent of the residents voted for doing so. Entry only by passes. But then this is done in free zones throughout the world.

The package of papers for the Kronshtadt free zone is being examined "upstairs." A joint-stock company, Kronshtadt, was formed recently, 80 firms and banks established it, and 200 have applied to join it as founders. The new AO [joint-stock company] is engaged in creation of the free zone's infrastructure.

St Petersburg Officials Crack Down on Transport of Contraband

934F01434 St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Andrey Konstantinov: "'Mine-Sweep', Full of 'Catch': The St. Petersburg Chekists Have Declared War on 'Economic' Contraband"]

[Text] The briefing for journalists that took place yesterday in the Administration of the Ministry of Security of Russia for St. Petersburg and the oblast was devoted to a discussion of operation "Mine-Sweep", which began last summer at the Russian-Estonian border. This operation was conducted by the Administration of the Ministry of Security of Russia jointly with border and customs organs, as well as the organs of internal affairs.

As Col Viktor Cherkesov, the head of the Administration of the Ministry of Security of Russia noted in his statement, it has been 3 years already that a, for the law enforcement organs, new term—"economic contraband"—made its appearance. This is what they called what never before was the subject of contraband—raw material, petroleum products, non-ferrous metals, and so on.

The subject of the pumping out of natural resources from Russia has already frequently been raised in the press, but the Fatherland has no shortage of sinful sons and daughters who sell them wholesale and retail.

During the period before the end of 1992 alone, the staff members of the Administration of the Ministry of Security of Russia, the militia, customs officials and border guards prevented the illegal export of raw materials and products from Russia valued at over R10 billion (in prices of the domestic legal market, of course). The actual money that one could get for all the confiscated cargo, no doubt, exceeds this figure.

For example, in October 1992 alone, 5 railway car loads of nickel and 49 railway car loads of aluminum were confiscated at the section of the Russian-Estonian border; in the prices of the London Exchange, during this period a metric ton of aluminum cost \$1,205, a ton of nickel—\$5,680.

Col Cherkesov stimulated the interest of the journalists in the fact that a very large percentage of the border area population is starting on the "contraband path." Unfortunately, these people are urged on by the serious economic problems of the region, unemployment, and the low level of social protection.

The resourceful contrabandists make use of any means to cross through customs points, including military transport. In shale mines cases of work stoppage were registered—cable with copper conductor was stolen in large pieces.

Last week, within the framework of operation "Mine-Sweep" in the Ivangorod-Narva sector, a complex of measures was carried out to prevent the transport of unlicensed cargoes across the border.

Border and customs details, together with staff members of the Administration of the Ministry of Security for St. Petersburg, carried out an around-the-clock, careful inspection of all the passenger trains bound to cross the border. During 5 days of around-the-clock "frisking," consumer products, non-ferrous metals, electronic equipment, and medicine valued at about R15 million were disallowed for illegal export from the territory of Russia.

For many train brigades and passengers, the operation came as a complete surprise. "At first people were in shock—the first days," the St. Petersburg Chekists reported. "Then people got used to it." At the end of the

5-day raid, the intensity of freight trains through Sala station fell from seven trains to one.

As was noted at the briefing, the chief obstacle in securing state interests for the law enforcement organs is not the low wages, the complete lack of technical means for detecting contraband, the poor organization and bad living conditions, and the frequent threats on the part of mafia groupings, but the absence of a border law for Russia.

For this reason, such operations are the sole effective means in cutting off contraband.

Proceeding from this, Viktor Cherkosov assured the assembled journalists that the briefing conducted by him does not signify the completion of operation "Mine-Sweep."

Judging by everything, our law enforcement organs will have to continue "mine-sweeping" at the Baltic borders for a long time.

St Petersburg Soviet Refutes Sobchak Criticism

934F0143B St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Igor Yulin: "About How the Small Soviet Prevented the Mayor for a Whole Day [FROM GOVERNING THE CITY]"]

[Text] At the beginning of November, Anatoliy Sobchak, in an interview with the influential French journal LE NOUVEL OBSERVATEUR, complained about how difficult it is to govern the city against the resistance of the city soviet, and informed the French readers that in the St. Petersburg City Soviet there are 400 deputies, and almost all of them are former communists.

The deputies rarely read French journals, but the text of the interview nevertheless found its way to the session of the Small Soviet. Nikolay Smirnov, a member of the Small Soviet (who never joined the CPSU) suggested to the mayor to find a method of apologizing, if he considers his utterances addressed to the city soviet as vexing slips of the tongue. Or to explain, on the basis of what data the conclusion was drawn concerning the hateful communist past of the majority of deputies. The city soviet recognized Nikolay Smirnov's appeal to Anatoliy Sobchak as a deputy inquiry.

Then the Small Soviet began to prevent the mayor from governing the city, introducing into the agenda of its session the question about the repeal of the next dozen orders of Anatoliy Sobchak and his deputies. However, the deputies also discussed other questions of city life.

One 24-hour period of "serving a sentence" for people arrested without recourse to the courts will cost R200 now. By decision of the Small Soviet, the "living allowance," similar to the price of a room in an average hotel, will be recovered from the arrested "through

compulsory collection". Previously, this sum—in accordance with the decree of the Presidium of the Russian Supreme Soviet—came to R1 per 24-hour period.

The deputies took that decision on the initiative of the chief of the directorate of administrative organs of the mayor's office, Anatoliy Smirnov. In the information submitted by the administration of correctional institutions of the city administration of internal affairs, it is stated that the "income" is planned from the receipt of the sums for the labor use of the people arrested without recourse to courts in the amount of R [illegible]. While the maintenance of arrested will cost the city approximately R26,000 in 1993.

The Small Soviet turned down the draft decision "On the Licensing of Educational Activity" submitted by the Committee of the Mayor's Office on Social Policy.

The deputies did not accept the draft even as a basis—first of all, because in many points it contradicted legislation, and secondly, as Georgiy Vasyutochkin, a member of the Small Soviet, explained, because "the members of the Small Soviet saw in the draft Regulation quite a few loopholes for bribery and corruption."

But on the other hand, the Small Soviet proposed to the mayor to find premises with an area of 7,000 square meters and make them available to the Juridical Institute of the Ministry of Internal Affairs for the siting of dormitories.

St Petersburg Prosecutor Accused of "Fascist" Sympathies

934F0143C St. Petersburg SMENA in Russian 3 Feb 93 p 2

[Article by Igor Yulin: "Mikhail Zhuravlev Does Not Trust One Procurator"]

[Text] Mikhail Zhuravlev, a member of the Commission for Legality of the St. Petersburg City Soviet, has proposed to the Small Soviet of St. Petersburg to express no-confidence in the procurator of the city, Vladimir Yeremenko and all his deputies. He came forward with a declaration in which he asserts that the procuracy promotes a wild outburst of fascist sentiments in the city and he prepared a draft decision of the Commission for Legality with the expression of no-confidence in the leadership of the procuracy.

The direct reason for such resolute action on the part of Mikhail Zhuravlev turned out to be the proposals of the procuracy of St. Petersburg in regard to the introduction of changes and additions in the existing legislation. The procuracy officials proposed to "put in order the statistics of criminal manifestations," having envisaged the registration of persons by citizenship and nationality and to introduce administrative responsibility for "the infringement of national [ethnic] equality that has not entailed harmful consequences in the form of the infliction of substantial injury to the constitutional rights and

interests of citizens." Moreover, in the procuracy it is proposed that it is necessary to concretize the legal terminology of Article 74 of the Criminal Code of the Russian Federation (on the infringement of national [ethnic] and racial equality).

In the opinion of Mikhail Zhuravlev, all these measures will not only promote the intensification of the struggle against crime on an inter-nationality basis, but also entail directly contradictory consequences. For example, the introduction of crime statistics with registration of the criminal by nationality with a certain manipulation may serve to solve very definite political tasks.

As far as the "concretization of legal terms of Article 74 of the Criminal Code" is concerned, this, in the opinion of Mikhail Zhuravlev, is simply absurd: "This is the same as to concretize the terms of Article 102 (intentional murder): It turns out that, let us say, with a knife, a pistol, or a crowbar, killing is not allowed, but using other methods—since they have not been concretized—it is allowed.

No less absurd, from the point of view of Mikhail Zhuravlev, is the attempt to establish administrative responsibility for "intern-nationality" infringements of the law. "How can we talk about the immaterial nature of injury if we are dealing with an infringement of the Constitution?"

Mikhail Zhuravlev is absolutely convinced that the procuracy does not intend to fight against fascists. Meanwhile there exists a mass of signs of an extremely unfavorable situation in the sphere of inter-nationality relations. If in August 1992 Aleksandr Nevzorov called for "cleansing the city of blacks", in November 1992 already the mayor of St. Petersburg, Anatoliy Sobchak, in an interview with *NOL-VELLE OBSERVATEURE*, declared that, if the government would give him extraordinary powers, he would, first of all, in 24 hours cleanse the city of Caucasians, who, according to his figures, commit 70 percent of the crimes in the city.

Too soft an attitude to the Nazis in his time became one of the reasons why the former procurator of St. Petersburg, Dmitriy Verevkin, left office. Now Vladimir Yermenko is being criticized for an analogous reason. True, up to now Mikhail Zhuravlev is not convinced even that he will succeed in getting the sharp-worded draft of the decision through the session of the Commission for Legality. But, to all appearances, the democratic movement still lacks the forces to compel the procuracy to fight more actively against the fascists.

St Petersburg Soviet To Reorganize

934F0143D St. Petersburg SMENA in Russian 3 Feb 93 p 1

[Article by Vika Uzdina: "In the Corridors of the Mariinskiy [Palace] the Winds of Change Are Blowing"]

[Text] Judging by everything, this year great changes are awaiting the St. Petersburg City Soviet. At the second stage of the session opening in a week, questions of its internal reorganization, first of all, will be discussed.

This is connected with the necessity of increasing the effectiveness of the work of the Soviet and the personal responsibility of the deputies. Now, unfortunately, the chairman of the Soviet, Aleksandr Belyayev, is forced to expend up to 60 percent of his working time on sessions of various organs that do not have the right to carry out final decisions. It is expected that after the structural reorganization the apparatus of the Soviet will be reduced by 30-40 people. However, in the meantime "all attempts to establish elementary order at once encounter certain resistance," Belyayev noted at the regular press conference that took place in the Mariinskiy Palace.

Touching on the problems of the forthcoming referendum, Aleksandr Belyayev said that at this moment this is unjustified, both from an organizational and an economic aspect. It is interesting that R4.5 billion (about R1,000 per person) are necessary for St. Petersburg to conduct the referendum, quite sufficient for a successful sowing campaign in the spring. In the opinion of Belyayev, it is better to postpone the forthcoming referendum, and not vague propositions should be submitted for discussion, but concrete articles of the Constitution (those about which there is disagreement).

Besides organizational and political problems, Aleksandr Belyayev also touched on economic questions. In particular, he absolutely disapproves of the plan for the privatization of Lenenergo [Leningrad Regional Administration of Power System Management]. Practically the entire profit from the production of electric power goes into the federal budget, and the city is suffering a loss (including an ecological one) even where it could earn money.

And more. Next week the chairman of the city soviet leaves for Moscow—it is being proposed that on 8 February the question of the allotment of R201 billion from the federal budget to St. Petersburg will be discussed in the Supreme Soviet.

St Petersburg Residents Questions on Referendum

934F0143E St. Petersburg SMENA in Russian 4 Feb 93 p 1

[TASS report datelined St. Petersburg: "The Old Deputies Are Not Going the Way of the New Law"]

[Text] "Who, in your opinion, should accept a new Constitution: The present membership of the congress of people's deputies, or an organ specially elected for this by the population?"—that is the question with which sociologists of the Center for the Study and Forecasting of Social Processes (director: Leonid Keselman) turned to the inhabitants of St. Petersburg.

From almost 2,500 persons polled, only 14 percent of the adult townspeople entrusted the adoption of a new Constitution to the present membership of the congress of people's deputies, the [word illegible] of a Constituent Assembly, a specially elected organ—52 percent, the remaining ones do not have a definite position in regard to this question.

Central Bank Freezes Credits to St Petersburg

934F0143F St. Petersburg SMENA in Russian 4 Feb 93 p 1

[Article by Dmitry Travin: "Has the Ice Began to Break in Credit Policy? Credit for the Replenishment of Working Capital Has Been Frozen"]

[Text] The Financial Committee of the Mayor's Office of St. Petersburg has received a telegram with information to the effect that the Central Bank is freezing funds that were earmarked for the extension of credit to enterprises for the purpose of the replenishment of working capital. Our city received (but now could not use) R2.8 billion. But not only what was earmarked for St. Petersburg has been frozen. What the enterprises will not receive are all the funds that up to now have remained in account No 148. And this means that the effect of the telegram will be felt throughout Russia.

What can such a move signify? Of course, it is possible that this freeze is connected with purely market-determined problems, with the unwillingness of the Ministry of Finance to spend allotted money at this moment. Enterprises may receive support later and in a different way. But against the background of the loud-voiced declarations of Viktor Chernomyrdin and Boris Fedorov about a sharp toughening of financial and credit policy the thought involuntarily arises that the freeze is the first sign in a series of measures of the new course.

The extension of credit to enterprises for the purpose of the replenishment of working capital is one of the most important sources of pumping money into the economy. Quite recently, in the fall, the first massed campaign for the extension of credits took place, and here already now the state was again prepared to give money to enterprises. But experience has already shown that the hopes for a precise analysis of the question about to whom concretely to give credit are groundless. The structures distributing the funds are incapable of separating the sheep from the goats and to support only enterprises which turn out really important products for society.

As a result, credit is obtained by all in succession, and more precisely, by those who look preferable in the eyes of the relevant bureaucrat. The preceding credit was distributed in our city by the Committee for Economic Reform of the Mayor's Office, headed by the former general manager of LOMO [Leningrad Optical-Mechanical Association], Dmitry Sergeyev. It is not surprising that the funds basically went to enterprises of the defense sector and machine-building.

It has already been said repeatedly (including by Yegor Gaydar) that the money obtained in such a way frequently turns up at the foreign currency exchange. To buy dollars is more reliable than to invest the funds in raw materials and materials in the presence of unclear production prospects. And if raw material is purchased, money for the acquisition of dollars may already be sent

by the seller. The dynamic of the ruble rate is the best proof of the truth of the watch over the fate of these credits.

The termination of credit infusions is a serious anti-inflationary measure. The less money is circulating in the economy—the less the increase in prices, the less the fall in the rate of the ruble, the more stable production, and the higher the desire of potential investors to invest their money in real business, and not only in short-term speculation.

Of course, we do not have a great deal of sympathy for the change in the course of the government if everything is limited only by credit for the replenishment of working capital. Many other credits are also given. A direct increase in wages and pensions is taking place. Most likely, prices will also increase rapidly in February. But, possibly, some other anti-inflationary operations will follow in the near future.

The hopes are that it will prove possible to master the course of events, nevertheless a little. Soon will be heard the furious howl of the enterprises that have been deprived of money infusion. Discussions to the effect that Chernomyrdin is incompetent, that he is pulling down the country, are becoming more pointed. Most likely, the government will again go back on its word, as this happened already in the summer of last year. But one would like to believe in the best.

German Businessman on Kaliningrad Projects

934K04~94 Moscow LITERATURNAYA GAZETA in Russian No. 17 Feb 93 p 9

[Article by Valentin Zapevalov, LITERATURNAYA GAZETA correspondent: "'German Invasion' of Kaliningrad: A Billion Marks for Major Construction and Reconstruction in Former Königsberg"]

[Text] Bonn-Munich—The plans of Munich entrepreneur Ulrich Luks are truly grandiose. Moreover, he is extremely confident of the reality of this project. He has a lot of experience: A businessman for 33 years, he built more than 50 trade centers and other complexes in the FRG. He maintains the firm as a private enterprise.

The firm Luks and Co. plans in the near future to undertake the "construction of the millennium" in Kaliningrad. A chief partner of the Munich group will be Walterbau AG from Augsburg (annual turnover of up to 11 billion marks). The list of future facilities itself will take a little time. The Germans intend to work on reconstruction of the port in Baltiysk (previously Pillau) and to expand Kaliningrad airport. They will become not only new European centers, but will "open the gates" to international tourism. Guests in the city and the oblast will be met by modern hotels, camping grounds, recreation areas, and supermarkets. Plans have been made for the creation of factory firm for the production of furniture, video, and radio apparatuses, and daily consumer goods. As a result the region will receive about 20,000

additional jobs. But this is still not all. Individual farmsteads with an entire agricultural inventory will appear in Kaliningrad Oblast. Butter, cheese (the famous Tilsiter) will appear on the tables of the city's residents and in neighboring European countries.

To my surprise, Mr. Luks did not have Koenigsberg roots. He was born in Danzig (Polish Gdansk). Therefore, my first question was:

[Zapevalov] Why are you investing this billion in Russia and not in Poland, which also needs investments?

[Luks] Kaliningrad has more promise, it is more interesting, and for the time being it is still untouched in the economic sense. It is true, I tried to start cooperation with the Poles as well. They proved to be difficult partners. Their prices increased each week.

[Zapevalov] The Russians are more yielding and reliable?

[Luks] Their conditions satisfied me. Not all of the preliminary work has been completed yet. But I am satisfied for the time being. Our positions also coincided on the main thing: It is not necessary to limit ourselves to individual small projects. It is necessary to develop the whole region globally and simultaneously. Therefore, a billion marks is only the beginning.

[Zapevalov] Good intentions are a noble thing; nonetheless, what benefit will this project bring to you personally? After all, if you put a billion in the bank and collect the interest, you will easily have more than 75 million marks in a year.

[Luks] Risk is an integral feature of entrepreneurship. In this case the risk is not as great as it seems. We will lease all the facilities for 50 years, and perhaps we will reach an agreement with Kaliningrad for an even longer period, and the expenditures will pay for themselves. Incidentally, we will pay the Russian workers in rubles and remunerate a certain sum in marks. This represents both an additional incentive and also potential buyers of Western goods in the future supermarkets.

And one more thing. Do not look for politics in my actions. The thought of a "German invasion" of Kaliningrad could not be further from my mind. Moreover, the land plots remain the property of the local authorities. In 50 or so years the constructed facilities will also be turned over into their hands, if we do not come to some kind of an agreement jointly. My objective is to assist the swift transformation of Kaliningrad into a major region of international cooperation. Everyone will gain from this.

P.S.

I tried to sound out how Bonn feels about this major project. The name of the firm Luks and Co. said little to high government departments. One billion, however, made an impression. Some reacted skeptically, and some believed in success.

Kaliningrad's Economic, Political Options Examined

934F01654 Moscow MOSCOW NEWS in English
No. 6, 4 Feb 93 p 11

[Article by Vladimir Gubarev: "Kaliningrad: Living Without Moscow Supervision"; first paragraph is MOSCOW NEWS introduction]

[Text] Russia's territories and regions want rights of federative republics. Among them is the Kaliningrad Region, Russia's overseas territory.

When Lithuania declared her independence, she let Russia know that if its natural gas supplies were cut, the Kaliningrad Region would have it still worse.

Yet despite hostile economic acts, Kaliningrad's relations with Vilnius are better than with Moscow. Today, Kaliningrad is Lithuania's intermediary and sole natural ally in its dealings with Russia. Though mutual distrust is fairly strong. Take the recent border incident when conductors of the Moscow-Kaliningrad express came to blows with Lithuanian customs officers.

To avoid what they termed "gas blackmail" on Lithuania's part, Russian officials have decided to lay an additional pipeline to Kaliningrad across Belarus and Poland rather than Lithuania, even though it will be longer that way.

The expression "free economic zone" has been in circulation for nearly eighteen months. The main freedom applies to investments. The region has 368 enterprises with foreign partners. Foreign investments total 471 million roubles. Not an impressive figure by far. Germans account for most of it, namely, 197,639,700 roubles, but the Poles aren't far behind. They have a share in 162 firms with a total investment of 118,405,000 roubles. Other investors are American, Lithuanian, Latvia, Italian and Israeli.

There should be no illusions. Some of the foreign investments amount to obsolete much used equipment worthless in the West the investors would not be too upset to lose if anything should happen. Essentially, joint ventures operate in fields that do not involve heavy investments—chiefly intermediary services, tourism, transport, and processing of farm produce and shrimps.

The low local purchasing capacity makes import of goods unprofitable, while border restrictions hinder use of cheap local labor for exportable goods. Entrepreneurs, in fact, are in no hurry to invest their money. Some are waiting for full-scale privatization, others fear the region will one day be returned to Germany.

The German threat, however, is unreal. Kaliningrad has no German consulate, for example, while a Polish one exists. Resettlement of Soviet Germans in the Kaliningrad Region is very slow—about 500 persons a year. At present, resettlers total a little over 5,000. And experts

feel official Bonn isn't any too eager to get back impoverished former East Prussia as an additional headache like that of East Germany. To be sure, opinions differ. During his visit to Lithuania, Wolfgang von Stettin, a representative of the Bundeswehr, said in an interview he thinks in the long term the Kaliningrad Region will be neither German nor Russian. It was unclear, however, what he had in mind: its transfer to Lithuania or a Germano-Polish-Lithuanian-Russian protectorate or an independent new Baltic republic...

Yuri Matochkin, head of the regional administration, is in favor of making it a republic within the Russian Federation or what he called a "region with special status." He expects to improve the region's economic situation by forming a consortium. "It could combine the efforts of interested state, social and commercial structures. For example, the big Russian metal producers have a stake in exporting their goods through our port, and we could, naturally, ask them to invest in the port's development."

The region cannot expect any large-scale foreign investments for the time being, he said, because investors want government guarantees, regional programs, however, are practically non-existent. The main hope, therefore, is that republics of the Russian Federation or those of the former Soviet Union will respond.

The forming of the Russian Federation from the grassroots up has reached a new phase. Regions and territories are joining the fight for rights. They want certain privileges, but it also reflects the Centre's inability to resolve the problems facing the regions. Moscow's power for which contenders scrimmage so violently at congresses of people's deputies, is not what it was in the days of the Soviet Union. Admittedly, the process also has a positive side—the first thing regions do after shaking off Moscow's stewardship is to restore the economic ties that broke down through the fault of the Centre.

[Box, p 11]

MN Reference

The Kaliningrad Region (former East Prussia)—area 15,000 sq. km., population close to one million. Here Russia has its sole remaining ice-free port of the Baltic—Baltiisk. Its dependence on neighbours is a specific feature, with 80 percent of electric power coming from Lithuania, across whose territory it also gets natural gas from Russia.

It has deposits of oil and amber. Amber deposits, in fact, amount to 90 percent of world reserves. But extraction and distribution are governed by Moscow.

Armed forces quartered in the region total nearly 100,000 (to be reduced to 24,000 by 1994).

Prices in the Kaliningrad Region are among the highest in the European part of Russia. Average monthly income approaches 4,000 roubles.

Leningrad Deputies To Arm in Wake of Attacks

934F0172B Moscow NEZAVISIMAYA GAZETA
in Russian 20 Feb 93 p 6

Article attributed to IA "Northwest": "Deputies Will Be Helped by Pistols"]

[Text] A decision to arm deputies of the oblast council with air pistols was made by the Small Soviet of Leningrad Oblast. As with a similar decision made by the Petro Soviet, this decision was prompted by ever more frequent attacks against deputies. The main problem now facing the deputies concerns the high costs. The market price of an air pistol is around 20,000 rubles, and the Small Oblast Soviet has refused to reimburse the cost of these weapons out of the oblast budget. It is possible that the air pistols will be provided to deputies by the Directorate of Internal Affairs from weapons already confiscated.

INTERNATIONAL AFFAIRS

Foreign Trade Minister on Strict Adherence to Import-Export Regulations

934E0235A Moscow DELOVOY MIR in Russian
2 Mar 93 p 1

[Article by Larisa Ilyina, DELOVOY MIR commentator: "Sergey Glazyev: 'Laws Should Start Working'"]

[Text] "In reality, organized crime in the sphere of foreign trade has become a very profitable and, I would say, industrially organized business. If the conditions do not allow us to ensure implicit and complete enforcement of regulatory acts, all our efforts to reform our foreign trade will lose any meaning. This is the reason that the main task of our ministry is the development of a system which would ensure full adherence to our legislation," said Minister of Foreign Economic Relations S. Glazyev to journalists invited to a briefing. He put a new emphasis on the fact that the design for our foreign trade activity has been generally completed. Certain legislative acts have been passed to provide regulation on currency, customs, and trade issues. The main task of today is to ensure that this regulatory base works.

What kind of financing will be used to make it all possible? Together with the Customs Committee and the Central bank, the Ministry of Foreign Economic Relations [MVES] is setting up an automated control system to track cargoes requiring special licensing as they pass through the border. It will also keep track of the hard currency payments schedule. According to V. Koshel, head of the foreign trade security administration, the first line of the system will start functioning as early as August. He admitted that there was practically no control last year. Nobody can say now how much hard currency came into the country, how many products were exported on forged licenses, on license copies, or without any documents altogether through Belarus.

Ukraine, and Kazakhstan. The MVES, nevertheless, thinks that Western estimates of profits from the sales of strategic raw materials are strongly exaggerated. These estimates set the total profits, hidden now in foreign accounts, at \$10 to \$20 billion. The ministry assesses them at about \$4 to \$4.2 billion. Any rumors of corruption in the MVES system were also labelled as "strongly exaggerated."

Only three legal suits were filed last year in this respect.

About 500 organizations exporting crude oil, petroleum products, nonferrous and rare-earth metals, mineral fertilizers, and timber have received registration. Complete accounting of payments on such an amount of bills does not present any technical problem. Besides, a single federal data base has already been set up to keep track of all issued licenses. Now we need to bring some order into the customs services on the Russian borders as well as to align the criminal and administrative penalty norms with the already existing legislation on foreign trade. The Russian Federation Supreme Soviet is expected to amend the Criminal Code in the nearest future so that smugglers will not be able to avoid punishment.

DELOVOY MIR asked whether the measures regulating our foreign trade may lead to a certain tension in the relations between the center and other regions of our country. To this the MVES leaders answered that all territories could manage their own resources by means of regional quotas. A special council is being set up under the ministry, which will enable oblast representatives to participate in the decision-making process. But according to M. Kolesnikov, head of nontariff regulation administration, the current Russian Federation law on additional powers for local authorities contains a very dangerous passage, which says that kray and oblast soviets of people's deputies may issue export licenses and set quotas. This explains the attempts to set up local systems for exports regulation, and it practically means the beginning of a collapse of a single customs territory. The interests of oblasts should be taken into account in foreign trade, but we need to have a single regulatory system as well as the controlling organ.

The ministry officials also said that, apart from purely administrative measures aimed at improving foreign trade, they were actively helping to set up voluntary unions of exporters. Given the coordinated pricing policy, richness of information, and good-quality marketing services of such associations, they could become civilized and well-protected participants of world commodity markets. Exporters of potash fertilizers, natural gas, and timber have organized and received official recognition. Literally in a couple of days, there will emerge an association of exporters of rare-earth, high-purity, and semiconducting materials. The union of crude oil prospectors is pondering a similar step. The entire world practice tells us how necessary it is to encourage such tendencies.

Head of Management, Market Academy on Current State of Economy

934E01904 Moscow DELOVOY MIR in Russian
17 Feb 93 p 8

[Interview with Vladimir Groshev, Academy of Management and the Market president, conducted by DELOVOY MIR correspondent Aleksey Kichatov: "Elite Specialists for a Market Economy"]

[Text] *Durir; these hard times our people are experiencing shortages of many things, except for high-flown rhetoric. Therefore, when one year ago an extraordinary event—the founding of the Academy of Management and the Market [Akademiya menedzhmenta i rynka]—occurred, its organizers declined to make elaborate pronouncements. At the time we agreed that we would talk in a year, when it would be easier to see the goals and judge initial results.*

[Groshev] The Academy of Management and the Market is an association of working entrepreneurs and scientists who work in the field of market relations. I daresay that it is a public scientific and education organization of a new type. It was not created on orders from above, moreover without government participation, and it came into existence at a time of massive increases in interest in the market, enterprise and the economic sciences among all segments of the population. The Academy was created out of five major VUZs [higher educational institutions]: the Russian Economic Academy imeni G. V. Plekhanov, the State Academy of Management imeni S. Ordzhonikidze, the Financial Academy, the Russian Academy of Management and the Youth Institute. The Complutense University in Spain was also among the founders. From this list one can see that the group assembled is a solid one comprised of experienced professors and instructors with a wealth of scientific tradition.

Life was breathed into this newborn infant by sponsors from among Russian business circles. Among the founders were commercial banks, exchanges, corporations, various types of joint-stock companies, and international organizations. They included such names as Inkombank, the Central Russian Universal Exchange, the Rotor Scientific Production Association, the KamAZ Production Association, the Mirbis Joint Venture and Gazprom. The sponsors agreed on the amount of their initial contribution: R1.0 million [rubles] or \$10,000 US.

[Kichatov] You said that the Academy's work is of a scientific nature. Specifically, what does that mean?

[Groshev] First of all it should be emphasized that competition is present in virtually every aspect of the Academy's operations. The best curricula win out, and they are the ones that get financing. Students must pay tuition, but once again there is competition among applicants, and only the most capable are chosen. The Academy pays the tuition of the most talented out of its own funds.

Most of those studying at the Academy are individuals who already have a higher education, mainly economists and upper-level and middle-level managers. However, our doors are also open to specialists from other fields. Lectures are read by leading scientists, and practical business training is given by our country's business leaders.

Naturally this high standard was not achieved all at once. Similar curricula and courses were honed at the Academy's founding VUZs and at the Mirbis International Business School to bring them closer to the international academic standard. Major assistance with the development of our curriculum was provided by Professor J. MacGary, dean of Boston University School of Business, who has been working at our Academy for over a year now. Now our main focus is selecting well-prepared students and retraining our instructors.

I should note that the proportion of instructor training in the Academy's academic work is constantly increasing. The Managers' Association has created an extensive network of local management and business schools. The Academy trains personnel for them. We provide advanced training programs for instructors from *tekhnikum*s, colleges and VUZs in management and business, and we train secondary schools teachers in our "Fundamentals of Economics and Management" course.

While attaching great importance to the training of practical personnel for market structures, the Academy also actively strives to implement its College Program, which is aimed at training, retraining and advanced training for middle-level specialists in all sectors of the economy in the fields of management, enterprise, marketing, exchange and banking operations and export-import business. Furthermore, the program includes specialized fields in which not a single educational institution in the CIS is presently training personnel.

In addition, the Academy has developed instructional and methodological materials to train specialists in intensive courses (six to nine months) designed for individuals with specialized secondary education (the "second diploma"). Our curricula have been approved by the Russian Federation Ministry of Education and gotten high marks from the education community and business people. We also offer people a range of short courses for businessmen lasting from three weeks to several months. Plus, for the first time we have now approved "one-on-one training" in individual study programs requested by the heads of commercial structures.

[Kichatov] Experience around the world indicates that higher education is always based on and accompanied by scientific research. What is the Academy doing in that regard?

[Groshev] It is a well-known fact that whoever pays the paper, calls the tune. We feel that the Academy's research plans should focus on tasks that reflect our customers' current needs. Many skeptics claim that shortsighted, superficial interests will prevail. I can attest

with satisfaction to the fact that that has not happened. When we compiled our budget and plans substantial allocations were made for basic research on management and the market economy. Amazingly enough, there was greater unanimity on that point than on any other.

That outcome is highly symbolic. It illustrates the growth in Russian entrepreneurs' self-awareness. They are willing to pay money without demanding an immediate profit, aware that they are financing Russia's rebirth. We have outlined a number of strategic research topics, which taken together form the overall topic of "The Market and Management in Russia 2000." We want to scientifically analyze the trends that have taken shape and will continue to take shape in our market during that period. We are also doing research on the topic of how to get the global economic and general civilized laws of the market to take root in Russian soil. Scientific analysis combined with other countries' experience will permit us to define ways of moving our domestic market in the direction of foreign capital on the basis of our interests and with consideration for Russia's specific characteristics.

[Kichatov] You talk a lot about education, science and entrepreneurs. What about "the people as boss"? Or do you work for an elite?

[Groshev] Yes, we have set a course toward training an elite, i.e. highly-qualified specialists in the fields of management and the market economy, and we intend to establish our own graduate and doctoral programs. In our scientific and academic affairs we are in close contact with foreign partners, particularly German and American colleges. A project by the Koerber Fund is making possible exchange study by young Russian managers in Germany at German expense. A second, similar project—the Capital Berlin Initiative—is aimed at raising the skills levels of young Moscow managers currently studying in Berlin in the business field. A third project will aid external studies by young specialists in Germany in conjunction with our Academy. Nor have I mentioned the completely unique Morozov Project, which was developed jointly with our Western colleagues. But I do not want to reveal too much. This will be the subject of special discussion at a general assembly and scientific session of the Academy on 23 March. Put briefly, the Academy continues to develop its work.

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Factors Affecting Development of Russian-French Ties Analyzed

934Q00254 Moscow. *MIROVAYA EKONOMIKA I MEZH DUNARODNYYE OTNOSHENIYA* in Russian No 12, Dec 92 pp 133-139

[Article by Kira Pavlovna Zuseva, candidate of historical sciences and senior scientific associate at the Russian Academy of Sciences' Institute of the World

Economy and International Relations: "Russian-French Relations: Reality and Trends"]

[Text] Throughout all the postwar years, relations between the USSR and France were subject to major swings: from close cooperation in the detente period of the 1960s and 1970s to the nearly complete dismantling of political relations following the socialist government's assumption of power in France in 1981.

Despite the French leadership's rigid approach to a number of key international problems, beginning in the mid-1980s changes began to occur in the direction of normalization in Soviet-French relations, although this process was slow and difficult. It was with good reason that French researchers believed that the "search for a constructive *modus vivendi* with the Soviet Union" was the most complex aspect of French foreign policy.¹

The perestroika that began in the Soviet Union sharply raised interest in the country in France, since it gave rise to hopes that the former partners would become more compatible. However, as M. Tatu, the prominent French journalist and political scientist wrote, "the French have not displayed the frenzied enthusiasm that was characteristic of some political leaders and journalists on the other side of the Rhine."²

The absence in the USSR for a number of years of actual steps toward a market caused disappointment in France. The processes of destabilization and disintegration that began in the USSR as early as the late 1980s drew a mixed reaction in Paris. On the one hand, they weakened a mighty superpower that had been a constant source of threat for all Europe, and on the other, they created a "zone of instability" that was dangerous for the continent's countries. A stumbling block in the path of the development of Soviet-French relations during that period was the question of French nuclear weapons, which the Soviet leadership tried unsuccessfully to make the subject of multilateral discussion in order to include them in the arms-reduction process.

At the same time, the two countries' positions on the problem of human rights drew substantially closer. Confirmation of this can be seen in the joint resolution that the USSR and France presented at the Paris Conference on Human Rights (1989) that was organized within the framework of the CSCE [Conference on Security and Cooperation in Europe], a resolution in which the principles for the creation of a law-governed space in Europe were formulated.

It was in Paris in 1985 that M. S. Gorbachev first used the term "common European home." Continuing the idea of "Europeanism" and the Gaullist concept of "Europe from the Atlantic to the Urals," this idea embodied the need to build qualitatively new relations in Europe, which had become too fragile for politics based on force. It was also on French soil that a parallel idea arose—the idea of establishing a "European federation" which was put forward by President F. Mitterand on the first day of 1990.

And then the old "anti-German motif" was unexpectedly heard in Soviet-French relations. This happened in connection with France's reaction to the rapidly developing process of German unification, for which the French leadership proved psychologically unprepared. Ignoring the fact that it was M. S. Gorbachev who had given the "green light" to that process, F. Mitterand, flying to Kiev, tried to persuade the Soviet leadership to block the reunification of the two German states. Later the French president was reproached for having caused serious harm to Franco-German relations by attempting to revive the "old idea of alliance with Russia" against Germany, as the result of which the "great game between East and West" had supposedly come to be played out exclusively among Bonn, Washington and Moscow.³

The "velvet revolutions" in the East European countries, the abolition of the Warsaw Treaty Organization, the unification of Germany, and the substantial weakening of the Soviet Union's role in the world created the problem for France of adjusting its strategic line under these new conditions.

The French response to the emerging situation presupposed an invigoration of the process of European integration, which would, to a certain extent, neutralize the national dynamism of a united Germany and create the powerful nucleus of a European center capable of resisting American hegemony, as well, since the bipolar world had clearly become monopolar. An important place in these plans was assigned to the Soviet Union. Anticipating the future development of events, the newspaper *LE MONDE* wrote that Europe should be built "in friendship with the USSR or Russia."⁴

A major culminating event in the era of Soviet-French relations was the 29 October 1990 signing of the Treaty on Accord and Cooperation Between the USSR and France, which formally established friendly relations between the two states. An important point in this treaty was France's commitment to promote the conclusion of an agreement between the Soviet Union and the EC, as well as consultations, interaction and cooperation on all international problems in the solution of which the two countries would take part. Thus, France pledged to promote the Soviet Union's admission to the emerging ensemble of European states, that is, the "common European home," in the interests of peace and stability on the continent. Despite the fact that part of the French press assessed the treaty as "devoid of content, but harmless,"⁵ it was one element in the system of commitments that the CSCE member-states undertook at the Paris Meeting in November 1990 and that were aimed at reducing the level of confrontation and providing assistance in strengthening democracy on the continent. Ultimately, the Treaty on Conventional Armed Forces in Europe that was also signed in Paris served the same purpose. The drafting of that treaty had been a constant subject of Soviet-French diplomatic talks, which had not always been easy.

There is no doubt that relations between France and the Soviet Union could have been more fruitful if the impulses that arose during summit meetings had been reinforced in subsequent practice. Failing that, the rate of their development constantly flagged, and significant progress could not be achieved. The complexities of the internal political struggle in France also had a negative impact on them.

Events of the second half of 1991—the attempted coup in the USSR and its collapse, the departure of M. S. Gorbachev from the political scene, and the complete sovereignization of the Union's former republics—threw the French leadership into obvious confusion. As the opposition believes, it was unable to orient itself rapidly in the new situation and correctly assess the direction of the changes in Russia. While supporting M. S. Gorbachev, the French at one point had given a rather cold reception to B. N. Yeltsin when he had visited France.

F. Mitterand is now reproached for the fact that his reaction to the August coup was "feeble" and "belated." In France events connected with the creation of the Commonwealth of Independent States received very restrained commentary, and Paris interpreted the CIS as a "fragile structure that does not inspire particular confidence."⁶

French officials responded with great cautiousness to the collapse of the Soviet Union once it had become a reality. In principle, they had always believed that small national formations had no chance for survival. That is precisely why they had never recognized the autonomy of ethnic groups whose members lived closely together on French territory and had their own language. As one French journalist put it figuratively, "France bet on the empire against the peoples."⁷ In this connection, Paris initially showed no particular vigor in supporting the Baltic republics' urge for independence. But France viewed the events that occurred in Lithuania and Latvia in early 1991 in an extremely negative light. Subsequently, to be sure, it did not exactly hurry to grant official recognition to the Soviet Union's former republics.

The disappearance from the world political map of such a major party to international relations is regarded by political scientists in France as a fact of immense historical importance. It is with some reason that the prominent French Sovietologist M. Mandras [as transliterated] believes that this fact could have unpredictable consequences.⁸ She takes a skeptical view of the prospects for the CIS and the democratization of its members. J.-B. Raimond, former French minister of foreign affairs, is more optimistic; he believes that Russia will successfully replace the Soviet Union in the international arena. However, in his opinion, the main condition for the CIS states' progress is an end to the struggle for power.

There is no doubt that the French leadership continues to consider Russia its ally and partner in addressing European problems. However, France's strategic line

with regard to Russia has not yet been finally worked out. In Paris' opinion, even in its present form Russia remains an excessively large power for Europe, and its internal problems and difficulties in relations with its neighbors, if they do not turn into dangerous conflict situations, will hold Russia back from too active intervention in European affairs and make it "controllable." Now is the time, France believes, that a historic chance has arisen for Europe to make Russia less dangerous.

Under conditions in which a mighty German state has emerged on the continent and is upsetting the existing balance not only in the EC but on a Europe-wide scale, France is experiencing serious fears that Germany may turn into a European superpower. Events indicate that the establishment of a federal Western Europe is still a matter of the distant future. But even today the "German tilt" in the EC, where France risks being shoved aside into secondary roles, is becoming increasingly noticeable. That is why it will need a certain counterbalance to this new power. Such a role could be played by Russia, although many European political figures believe that the United States should become that counterbalance.

That, of course, does not mean that a new Russian-French alliance aimed against Germany could arise in the near future. It is hard to think that France would resort to a demonstration of special relations with Russia, especially after the "blunder" in Kiev. This is attributable to a number of reasons, including fears of spoiling relations with its mighty neighbor. It is all the more unlikely that Russia would take part in that sort of political "games," when it is bound to Germany fairly strongly by mutual interests. However, it is hard to foresee what new turns in history await us in the future. In any event, in the United States at present the view is being strongly pushed that after Kohl Germany may become unpredictable. It is also trying to instill this view in the French.

At the same time, France, foreseeing the development of serious contradictions among the three centers of economic power—Europe, the United States and Japan—believes it necessary to involve Russia, too, (of course, on the condition of its stabilization) in the construction of a "Greater Europe." "If Western Europe is able to involve the continent's East in its own development, it will be able to claim the status of heart of the world economy and become the most populous, richest and most constructive space,"⁹ J. Attali, the current president of the EBRD [European Bank for Reconstruction and Development], once wrote. Thus, in the opinion of Paris, the need to include Russia in the European space is becoming increasingly urgent.

There is one more problem that is extremely important for France, in the solution of which France will need Russia's support. It is the establishment of an all-European security system, with regard to which the views of Paris and Washington differ fundamentally.

The latter has a stake in preserving its influence on European affairs through NATO, in opposition to which France has been since 1966.

Today NATO is seeking opportunities for transformation in order to preserve itself under the new historical conditions. Its leadership is striving to reorient the organization's activities toward new tasks, and to this end it has proposed using NATO's forces and structures to neutralize conflicts in Europe as an instrument of the CSCE. In that case, favorable conditions would be created for turning it into the military basis of the European security system. The NATO leadership is presently putting serious pressure on France to persuade it to return to the bloc's military organization, in order to thereby neutralize the most implacable opponent of these plans.

France, however, has come out very resolutely against preserving NATO's dominant role in the European security system and believes that such structures as the WEU [Western European Union] and the multinational European forces that are presently being created should be used as the basis for such a system. At a meeting of the WEU session at the end of May 1992, J.-M. Caro, former chairman of the WEU Assembly, stated that Europe's security could be provided for within the framework of three structures: the CSCE, the North Atlantic Cooperation Council and the WEU.

The Russian leadership also holds views close to these, insisting that armed forces under the CSCE's aegis could be formed through contributions both by the individual CSCE member-countries and of NATO. In this connection, NATO's contribution could be made in the form of providing the CSCE units of its own military infrastructure, means of delivery, communications, and real support.

The similarity between France's position and Russia's on these issues served as a basis for those countries' joint demarches in favor of concluding a European security treaty.

These are precisely the reasons that a new Russian-French treaty was signed during Russian President B. N. Yeltsin's visit to Paris in early February 1992, although as the USSR's successor Russia could have been guided in its diplomatic practice by the 1990 Soviet-French treaty. In his press conference, the Russian president attributed this to the fact that "both countries want to be direct allies."¹⁰

The treaty signed 7 February 1992 contains 26 articles that encompass practically all forms of intergovernmental relations. Whereas the emphasis in the previous treaty was on assistance by France in the establishment of ties between the USSR and the European Community, the 1992 treaty refers to concerting the two countries' efforts in strengthening the CSCE and joint activity to create a European security treaty.

Unfortunately, in response to the diplomatic support promised by the French, as well as to the provision of large credits amounting to 3.5 billion francs, Russia,

repeating the USSR's mistake, made a concession that may cost it dearly. It has to do with Article 22 of the treaty, where the sides pledged to actively promote the settlement of financial and property claims, among which are tsarist debts that today constitute the huge sum of 230 billion francs. There is no doubt that, given the Russian economy's present grave situation, the country is absolutely unprepared to satisfy these claims. However, France, relying on the treaty, now has every right to demand their satisfaction.

Russia's present impoverished situation makes it an extremely unreliable partner. Its activeness in the European area is seriously limited by its internal difficulties, including the growth of interethnic conflicts.

Many Russian scholars have noted repeatedly that a "Western" tilt presently exists in the country's policy at the expense of an "Eastern" tilt. However, in this case the word "Western" is identical to the word "American," since the Russian Ministry of Foreign Affairs gives the greatest attention to the development of relations with the United States. As for the West European countries, relations with them, in the opinion of many prominent Russian politicians and scholars, have become less significant and less extensive. This pertains not only to such a recent partner of Russia's as France, but even to Germany, which is presently providing the greatest financial support and humanitarian aid to our country. As a result, under present conditions the 1992 Russian-French Treaty is more an agreement on intentions and a base for the development of relations in the future, than a political program of the present day.

There is no doubt that relations between Russia and France are presently going through a difficult period. On the whole, they play a substantially smaller role in the system of European relations than previously. This is attributable to a number of both objective and subjective causes. And first and foremost, of course, the redistribution of roles on the European scene as a result of changes that have occurred in Eastern Europe and in the space occupied by the former Soviet Union is important here. In addition to Russia, France has acquired a number of new partners from among the USSR's former republics. They include such a respectable partner as Ukraine, with which France has already begun to develop active relations and has concluded a treaty.

There is one more objective factor that is contributing to a reduction in the role of bilateral relations and Russian-French relations, in particular. It is the gradual expansion of the prerogatives of the European Community, something, however, which has not occurred without certain difficulties, as the results of the referendum on the Maastricht agreements in Denmark and the minimal preponderance of votes in their favor in the referendum in France indicate. Nonetheless, the European Community is already assuming certain supranational foreign-policy functions: working out a common position on certain key international problems, including conflict situations, and

providing humanitarian aid to Yugoslavia, which is collapsing in the flames of civil war, and to the CIS countries. In the future these functions will obviously expand. Consequently, the sphere of bilateral relations will be narrowed and increasingly give way to relations with an ensemble of states—the EC. Moreover, bilateral relations themselves will, in time, become part of multilateral all-European relations. Granted, Russia is not yet a member of all European organizations. But within the framework of the CSCE, cooperation between the two countries has already acquired lengthy positive experience. Both countries, interested in the transformation of the CSCE, have proposed measures for structuring this process and turning it into an effective mechanism of all-European interaction. Thus, Russian-French relations are becoming increasingly "Europeanized."

The development of Russian-French relations will also be affected by such subjective factors as changes in the internal political situation. There is no doubt that a curtailment of Russia's democratic development would retard their progress for a long time to come. They are also affected by changes in the domestic political situation in France.

France's current president is an active supporter of the development of relations with Russia. However, the opinion is already being expressed in the French press that F. Mitterand is a man of the past, a "man of Yalta," although he himself was always a passionate opponent of that postwar system. F. Mitterand is accused of being no longer capable of rising to the level of the new problems confronting France.

For France the next few years will be years of stormy domestic political events. Regular parliamentary elections will be held in 1993, and the election of a new French president will occur in 1995. Future potential candidates for that officer are already being named, and among them J. Delors, present chairman of the Commission of the European Community, figures in first place among them. He indisputably embodies new ideas and may become the author of France's future foreign policy.

Unfortunately, speaking on 18 May 1992 on the French television program "Hour of Truth," J. Delors stated (granted, his statement was followed by a denial) that there was no place for Russia in "Greater Europe." Moreover, he proposed to annually convene the representatives of all European states for consultations, but without Russia. The chairman of the Commission of the European Community favors providing aid to Russia but is pessimistic regarding our country's future.

Nonetheless, now and for the future France is an extremely important partner for Russia, although relations with Germany are assuming increasing importance in Russian policy in Europe. France remains a major European power that plays a key role in the EC. The French hold chairmanships in such European organizations as the Commission of the European Community, the Council of Europe and the European Bank for Reconstruction and Development, and they can give

Russia substantial support there. All these organizations, in the French leadership's opinion, will constitute the basis for realizing the French-proposed idea of a "European confederation," in which Russia is supposed to occupy its place.

The fact that France remains for Russia a well-disposed partner at the present stage is also indicated by the French leadership's attitude towards the "Russian question" during the G7 meeting in Munich in July 1992. In contrast to the United States and Japan, which took rather tough stands with regard to Russia on account of the delay of reforms, the French responded sympathetically to Russia's request for aid, believing that refusing it could bring about the total collapse of the economy and social cataclysms in the country. The International Monetary Fund's demands on Russia were regarded in France as a ruinous measure capable of totally ruining the destroyed Russian economy. However, Bush's idea of including Russia in the G7 and turning it into the G8 met with resistance by France, since it believed that it would upset the established balance of power in the G7.

Indisputably, economic aid from France, which holds second place after Germany among the Western countries in this regard, is important to Russia.

However, from every indication, in the near future relations between Russia and France will not hold such priority as in the past. And the desire to fully restore them does not reflect the realities of the present situation, especially considering the grave domestic political situation in Russia.

At the same time, Russian-French relations should unquestionably remain a weighty component of a carefully thought-out and balanced Russian European policy.

Footnotes

1. POLITIQUE ETRANGER, No 2, 1985, p. 333
2. LE MONDE, 2 July 1989.
3. LE FIGARO, 25 October 1990
4. LE MONDE, 26 May 1990
5. LE FIGARO, 31 October 1990
6. LE MONDE, 3 February 1992.
7. LIBERATION, 21 May 1992
8. L'EXPRESS, January 1992
9. J. Attali, *Lignes d'horizon*, Paris, 1990, p. 75
10. ROSSIYSKAYA GAZETA, 8 February 1992

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Europeans Market A-340 Airbus in Moscow*934E0189A Moscow IZVESTIYA in Russian 26 Feb 93 p 1*

[Article by Sergey Leskov: "New European Airbus Visits Moscow Skies"]

[Text] On 24 February, the world's largest airbus, the A-340, conducted a demonstration flight at Sheremetyevo-1 Airport in Moscow; the airbus had just returned from Yakutsk, where it had been conducting tests under frigid Siberian conditions.

A-340 passenger service operations have not yet begun, although Lufthansa and Air France have acquired the first two aircraft. The demonstration flight in Moscow, to which leading Russian aircraft designers were invited, was carried out by the third A-340 to be built.

Interest in this aircraft is explained by the fact that this vehicle signifies the transition to a new quality of aviation. With 300 passengers on board and a full load of fuel the A-340 can stay in the air for 19 hours and can fly more than 14,300 kilometers without landing. Fuel economy, ecological demands, passenger comfort—all are significantly higher than for what are considered the finest aircraft in civil aviation today.

What is most amazing about the A-340 is the lack of a steering wheel. The control panel in the pilot's cabin contains only buttons. The level of the electronics is characterized by the fact that the huge liner requires a crew of only two people. After the flight, Russian pilots Biryukov and Eksuzyan told the IZVESTIYA correspondent that this was the finest machine in which they had taken to the air. In turn, Professor D. Ogorodnikov, director of TsIAM [P.I. Baranov Central Aircraft Engine Scientific Research Institute] noted that one cannot complain about engine operation whatsoever.

The management of the Aerobus-Industry Co. proposes that Russia acquire the new aircraft. Another variant is to take it on license, as was already done with the A-310. In order that certain of our aircraft manufacturers do not say that such business deals are contrary to the interests of native industry and that they are taking orders away from it, one must not forget that five A-310 aircraft in all are producing 15 percent of all its hard currency earnings. According to V. Doroshev, commercial and financial director of the Russian International Airline Co., of late, on certain routes, foreign passengers have been making a huge fuss, a virtual sit-down strike, refusing to fly on our aircraft and demanding the A-310.

The worst thing that can happen in civil aviation is squeezing Russia out of the world market for passenger transport. In 1995, ICAO [International Civil Aviation Organization] proposes introducing higher requirements for passenger aircraft, which many of our aircraft cannot meet. In such a situation, equipment acquired abroad will be just about the only way out of the situation. Whether or not these measures will be temporary depends upon the aviation industry itself, which, having

met a strong competitor, can use this as an incentive to create modern passenger aircraft.

U.S. Firms To Host 10,000 Russian Entrepreneurs*934E0189B Moscow IZVESTIYA in Russian 25 Feb 93 p 1*

[ITAR-TASS Report: "To the USA for Training"]

[Text] Ten thousand Russian entrepreneurs and specialists with various skills are to undergo a month-long training course at American firms under the auspices of an international project called, "Free Exchange."

An agreement on this was signed by the leaders of the U.S. Library of Congress; a consortium of Russian companies called, "Yevropa-Amerika-500" [Europe-America 500]; and the Fund for Social Development. Under the terms of this agreement, entrepreneurs and specialists in the areas of industry, the banking and financial system, and agriculture, are to be sent to the United States for training. At the same time all expenses, with the exception of transportation, are to be assumed by the American side.

Moscow Pledges New Bridges, Metro Links to Business Center*934E0189C Moscow IZVESTIYA in Russian 26 Feb 93 p 7*

[Article by Viktor Belikov: "Business Center 'Moskva-City': Two Bridges Plus Three Metro Stations"]

[Text] The Moscow International Business Center [MMDTs-Mezhdunarodnyy Delovoy Tsentr] which is being established to the West of Moscow will be receiving rapid and convenient connections with the remaining regions of the capital. This was the topic at the 24 February session of the Moscow Government.

The sector set aside for construction of a complex of high-rise buildings and other structures of the MMDTs is situated in Presnya on a bend of the Moscow River. A quarter of a million people will be there every day. The planners propose a mighty new crossing bridge connecting the banks in that location. It will connect the eight-lane "Zapadnyy Luch" [Western Ray] highway, which runs from Kutuzovskiy Prospekt to Begovaya Street (third intracity ring), with the rail lines of the Okruzhnaya Railroad. Parking lots will be situated on the approaches to the bridge, beneath the trestles. In addition, multilevel underground garages are planned throughout the territory of the center. They will be able to accommodate up to 30,000 vehicles at one time.

Another bridge across the river will appear farther downstream. It is intended for commercial and pedestrian traffic. A horizontal track—a travelator [travelyator] for moving people along parallel lanes—will run down the

center, and will be lined with various small stores, booths, pavilions and snack bars.

The basic means of communication, as everywhere in Moscow, will be the Metropolitén. Three future subway lines will lead to the central zone of "Moskva City" where there will be a major transfer station. One line will come from Solntsevo, from the Park Pobedy station, now under construction, and will then run toward Mytishch, intersecting on the way with the existing Krasnopresnenskiy, Gorkovskiy and Timirazevskiy metro radii [sic]. The second underground line is an extension of the Kalininskiy radius from Tretyakovskaya through the existing Kropotkinskaya and Smolenskaya stations, and also a new station on the ring line at the White House of Russia. Finally, the proposed third line to the MMDTs is the so-called mini-metro, planned for the future for rapid connection with the central nucleus of the city.

All of the metro stations of the business center will be covered, like a gigantic blanket, with many meters of reinforced concrete, over which multistory buildings will be erected. Still another underground transportation structure is planned: a tunnel under the river, for delivery of goods arriving by water, is to be situated near the city's Western Port.

Business people working in the international center will require rapid connections with Sheremetyevo, from which air routes abroad will begin. A high-speed mono-rail line, which will run from Presnya to the airport, will then continue to Domodedovo as well, the planned international airport of the Russian capital.

Contracting of Turkish Construction Firm Questioned

934E0189D Moscow RABOCHAYA TRIBUNA
in Russian 26 Feb 93 p 7

[Article by Boris Prokhorov: "For a Half-Million We Could Too!"]

[Text] STAVROPOL. A contract was signed in Stavropol with the Turkish construction firm, "Idil," which has agreed to build in Kochubeyevskiy Rayon a sugar plant with a capacity of 600,000 tonnes per year.

But why were the Turks granted the right to build the plant? First of all, because in the sugar industry, Turkey is one of the leading countries of the world. Secondly, they offered their construction services for about 35 percent less than other countries. It would appear that we should thank our neighbors for their help. But questions remain nonetheless. After all, manufacturing equipment for sugar plants is produced in our country as well. Perhaps it is not as fine as that from abroad, but at least we do not have to spend foreign exchange for it. What is more, the construction complex of the region is hardly overburdened with work. As far as the period of construction work and quality are concerned, if our construction workers were paid that kind of wage, they would not do the job any worse.

Vietnamese Ambassador Views Trade Ties With Russia

934E0189E Moscow RABOCHAYA TRIBUNA
in Russian 26 Feb 93 p 3

[Interview with Vietnamese Ambassador Nguyen by Yevgeniy Kubichev and Aleksandr Oskin: "Vietnam Has Reason To Be Proud"; date and place not given]

[Text] Arguments in our Fatherland over models for economic reform have long since spilled over the threshold of government offices. On every scheduled bus or streetcar one can always find a pair of passengers in a political-economic dispute over the ways, forms and methods of conducting economic reform in Russia.

While we are debating where to go and with whom, certain of our former allies from the former communist bloc have gone quite a way ahead of us. Such countries include Socialist Vietnam, which has been able to not only resolve its food problem, but also carry out convincing political reforms on the way to becoming a rule-of-law state.

SRV Ambassador to Russia Ho Huan Nguyen in the course of an amicable meeting, answered questions for RABOCHAYA TRIBUNA

[Correspondent] Mr. Ambassador, what are the principal positive results of the economic transformations in Vietnam?

[Nguyen] The year 1992 ended successfully: for the first time Vietnam was able to fulfill and overfulfill all of the basic planned tasks for the year. National income in 1992 grew by 5.3 percent, industrial production by 15 percent, agricultural production by 4.4 percent, and production of foodstuffs increased by 9.0 percent reaching about 24 million tonnes. The volume of investment in state capital construction increased by 25 percent. Over the last year, our inflation rate was 15 percent. We are satisfied with this level. A while ago it had reached 25 percent per month.

[Correspondent] Please tell us how you evaluate the state of your food problem?

[Nguyen] It is normal. By the way, today we have a firm hold on third place in the world for rice exports.

[Correspondent] Mr. Ambassador, in your opinion, what is the state of Vietnam's economic-trade relations with Russia?

[Nguyen] They are developing. The Vietnamese people and the leaders of our country have a very warm and friendly attitude toward Russians and toward your country. Last year our two countries signed a number of

important documents. They provide a fine basis for developing economic and trade ties. But, unfortunately, owing to many difficulties, we have been unable to reach the planned level of goods turnover of 800 million dollars.

[Correspondent] Why?

[Nguyen] I would cite three reasons. First: coordination of documents took a long time. They were signed only in the third quarter of last year. By that time it was already difficult to realize the planned volume for goods turnover. Second: In the new economic relations—I have in mind the market—direct bilateral ties between enterprises are thus far working poorly. And third: The well-known instability of the political situation in Russia has had a negative effect on our economic relations.

[Correspondent] And one final question: What is your view of the future relations between our countries? Are there no ideological difficulties?

[Nguyen] I believe at the present time there are no such difficulties between Vietnam and Russia. We still enjoy friendly and cooperative relations. We are also doing a great deal to strengthen relations with other countries. But Vietnam attributes special significance to relations with Russia.

Consular Service Implementing New Entry-Exit Rules

934E0200B Moscow IZVESTIYA in Russian 27 Feb 93 p 5

[Article by IZVESTIYA correspondent Igor Andreyev: "Foreign Passports: The War Between the 'Red' Visa and the 'Blue'"]

[Text] The consular service of the Russian MID [Ministry of Foreign Affairs] has summed up the results of the transitional period that began on 1 January 1993 by a formal activation of the entry-exit law. Despite the serious difficulties caused primarily by the delayed decisions on this score by the Supreme Soviet and the government, the service succeeded in issuing during January-February 25,000 general-purpose civilian passports and in authorizing exit from the country, prior to 1 July, of 35,000 Russians "with the old" documents.

Aragon Asatur, deputy chief of the MID consular service, states that it was possible to avoid an avalanche situation, the disruption of business trips. From now on, with the end of the transitional period, all persons owning red civilian passports must deal with UVIR [Visa and Registration Administration], Russian MVD [Ministry of Internal Affairs], irrespective of the purposes of the trip. The service reserves for itself the formalization of visas of foreign states in accordance with applications from organizations and institutions sending their employees on business trips outside the country. But he emphasizes that it will not issue new "red" documents.

As for the blue official and green diplomatic passports, the consular service has sharply narrowed the circle of their owners. A. Asatur described as outrageous the situation when, in 1991, 40,000 employees of various institutions and departments had "green" ones at their disposal.

Speaking about the transfer of the red passports to the UVIR, which was the initiative of that subdivision of Russian MVD, Asatur subjected to criticism certain associates in the militia. Judging from the hundreds of appeals made by citizens to the MID KS [Consular Service], he said, the people there are not ready to assume that workload. In any case, in January-February the passport administration did not issue a single general-purpose passport that was effective for five years. And even today, in the few remaining days until the end of the transitional period, it is not accepting from institutions or citizens any applications for the formalization of civilian passports for business trips. Moreover, the deputy chief of the consular service asserts, MVD UVIR intends practically to disavow the general-purpose passports issued by us and not to recognize the MID authorizing memorandum, entitled "Exit Prior to 1 July 1993," that was made by the service on the "old" documents.

The consular service is categorically opposed to those measures. A. Asatur stated. And, not wanting to disrupt the business trips of Russian citizens, it is ready for 2 or 3 more months to issue red passports and formalize the exit. Obviously, if there is a corresponding decision by the RF [Russian Federation] Supreme Soviet, to which the service has sent its recommendation.

Whereas previously the so-called coordination of the citizen's exit with the security agencies and the MVD was "delegated" by the service to state institutions, from now on only that service will cooperate with those departments. On the other hand, the service will continue negotiations with foreign embassies in Moscow concerning the shortening of the periods of time and the simplification of the formalities linked with the issuance of entry visas.

And, finally, A. Asatur categorically refuted the rumors concerning the forthcoming replacement of the "hammer and sickle" Soviet passport by a document with Russian symbols.

At a meeting with journalists, Mikhail Timoshkin, first deputy chief of the consular service, mentioned a two-day conference of the managers of the consular departments of the embassy of Russia in the CIS countries, Azerbaijan, Georgia, and the Baltic countries. The chief topic was the protection of the rights of the Russian-speaking population in the former union republics. The participants in the meeting stated a number of overall problems that the consular workers are encountering. One of them is the legal indefiniteness, the lack of any

consular conventions between Russia and a number of the nearby foreign countries, or any agreements concerning legal assistance.

A special problem is linked with the implementation of the law governing Russian citizenship. In Estonia alone, a desire to obtain that citizenship is expressed every day by 300-400 persons. Also typical of the nearby foreign countries is the striving by former USSR citizens to gain dual citizenship, which requires the appropriate decisions by the Russian Supreme Soviet.

In accordance with a recommendation by RF MID, there will be a substantial expansion of the network of consular institutions, especially in places densely populated by ethnic Russians. Various points in the nearby foreign countries have begun to be visited regularly by consular first-aid groups.

I asked Arkadiy Goncharov, deputy administration chief, to comment on the claims made by the MID consular service on MVD UVIR.

"As for the assertions that the VIR agencies are unready to work with all those who possess red passports," he said, "prior to the issuance of new general-purpose documents, they definitely do not conform to reality. A problem with the passports issued this year by the consular service actually does exist. Inasmuch as, starting on 1 March, only UVIR will deal with the 'red' ones, irrespective of the purposes of the trip, we feel that, with the passage of them, they ought to be replaced. We hope to establish in the negotiations with the consular service some kind of transitional period during which people will be able to leave on the basis of these documents also."

ECONOMIC AFFAIRS

Karasyk Appointed Minister of Agriculture and Food

934K0271A Kiev SILSKI VISTI in Ukrainian
10 Dec 92 p 1

[Decree of the President of Ukraine, issued on 8 December 1992: "On the Minister of Agriculture and Food of Ukraine"]

[Text] To appoint Karasyk Yuriy Mykhaylovych to the post of minister of agriculture and food of Ukraine upon relieving Tkachuk Vasyl Mykhaylovych of these duties in connection with his transfer to another job.

[Signed] President of Ukraine, L. KRAVCHUK
Kiev, 8 December 1992

Kolkhozes Flawed, Alternatives Few

934K0271B Kiev SILSKI VISTI in Ukrainian
12 Dec 92 p 2

[Article by M. Khorunzhyi, candidate of economic sciences, under the rubric "A Scientist's View": "The Collective Farm Has Many Flaws. But Which Institutions Have Fewer Flaws?"]

[Text] It is not that uncommon to hear that the collective farms are to blame for our food shortages and that they should be immediately disbanded. Some scientists and political leaders also voice this opinion. One is filled with fear: for all we know, they could actually take this rash step. We are past masters at such things. That is how collectivization was conducted, and that is how we could now conduct "individualization" under the banner of looking for new forms of managing agriculture.

The Law "On the Priority of the Social Development of Farms and the Agroindustrial Complex in the National Economy of Ukraine" supposedly protects us from hasty measures: "The forms of ownership and organization of production in the agroindustrial complex shall be determined by the labor collectives and each individual member of these collectives according to the procedure established by acting legislation. Interference by state, cooperative, or other organs in the economic or other activity of these owners is prohibited." This extremely important principle is similarly formulated in the Law "On the Collective Agricultural Enterprise." In addition, Article 31 of this Law stresses: "The liquidation and reorganization (merger, joining, division, separation, transformation) of an enterprise shall be effected by a decision of the general meeting (meeting of authorized representatives) of its members or by a decision of the court or arbitral tribunal." As we can see, the law does not provide for a voluntaristic form of disbandment.

This, however, is the legal aspect of the issue. Let us examine the practical and real nature of "interference" and "noninterference." A few examples. While the state has freed prices on industrial production resources, it

rigidly dictates the purchasing prices of agricultural output. When procuring grain, the government was ready to apply firm measures against insubordinate collective farm chairmen, who did not see to it that state orders were filled. Such state orders are tantamount to the requisitioning of surplus food supplies (prodrozverstka), and what self-respecting farmer will settle for the state paying him with worthless coupons, while paying large sums in hard currency for the same grain to an "overseas" peasant? For example, the procurement price of a metric ton of class-one soft wheat (myaka pshenytsya pershoho klasu) is 14,800 coupons, while we buy the same wheat abroad for at least 120 dollars, or 72,000 coupons.

A collective farm is not permitted to sell its products to the highest bidder. It remains just as bound to a single procurer (processor) as before. Meanwhile, the state is importing food and spending substantial amounts of foreign currency reserves to do so.

The collective and state farms have become the raw materials appendages of the processing branches. Under the currently operating mechanism of economic relations, these farms have no say in what happens to what they produce, yet blame is heaped on them as it always has been. We seem to forget that more than 60 percent of agricultural output comes to our table after undergoing industrial processing. This means that the availability of food should not be judged by the performance of the collective and state farms, but on the basis of how the food industry handles the raw materials it receives from the farms. And, unfortunately, because thorough and complex processing is lacking, this industry is able to utilize only 70-75 percent of the biological quality (biolohichna yakist) of agricultural raw materials.

A mystical belief has emerged here that the only way to solve the food problem is to improve agriculture alone. This simplistic agricultural determinism has led to a steady decline of the organizational and economic role of the food industry. Not only is this industry unable to give direction to agriculture, but it has itself become the most backward link in the entire food production system. As a result, an increase in agricultural production does not mean that the output of processed goods will increase by the same amount. After all, we know that only 20 percent of food industry enterprises are up to modern standards, while 70 percent need to be modernized, and the production facilities of the remainder should be closed down, inasmuch as they have become completely worthless. For that very reason, we use up 30-40 percent more agricultural raw materials per unit of finished product in the food industry than do other countries.

Despite the poor economic relations between agriculture and the processing industry, the collective farms remain the principal suppliers of raw materials. In Ukraine, they are the foundation of agriculture. Their share of sales to the state (and these volumes go primarily to the food industry to be finished off or processed) is quite high

with respect to certain products, such as: sugar beets—over 90 percent; milk, grain, and sunflower—70-80 percent; wool, livestock and poultry, potatoes—60-70 percent; eggs, fruits and vegetables—20-45 percent. Just imagine if suddenly there were no collective farms. What would the state do to compensate for these amounts of agricultural raw materials?

To believe that these volumes can be made up by private farmers is, at best, not serious. A common argument today is that the peasants' private plots, which account for only some 7 percent of tillage, produce more than 20 percent of gross agricultural output, including more than 70 percent of potatoes and nearly 54 percent of fruits and vegetables. But 80-85 percent of this produce is used to meet personal consumption needs, without taking on the form of goods—in other words, it does not leave the farms. Hence, it does not have an important impact on meeting the needs of urban consumers.

The claim that the private subsidiary plot system can be transformed into a private farm system is unfounded from any standpoint. Both in theory and in practice, there are three ways of creating private farming enterprises. The first requires the financial and material assistance and support of the state. The second way is for private citizens to establish private farms using their own funds. And the third entails the participation of collective and state farms in the creation of a private farm system. Considering that it takes at least 5-7 million karbovatni for a farmer to get started, it is quite obvious that whichever route you take, you will not get very far. Even if the conditions needed for private farming are created at some time in the future, such farms will need 10-15 years to make up the share of output by which the production of collective enterprises decreases. Nor can we ignore the fact that any kind of reorganization leads to a decline in production, its unregulated conversion, a subsistence level [naturalizatsiya] of production relations.

This means that a forced sudden change [sylovyy zlam] in the system of farming that now exists will only create new problems. The liquidation of collective farms may lead to an even greater decline.

To be sure, collective farms have many flaws. But one might well ask: which of our forms of ownership, which also means the organization of production, do not have shortcomings? Are private farms or production cooperatives so perfect? Have they no problems?

Perhaps we should begin by examining what the state is doing to ensure that collective farms work at their full potential—in other words, that they function "as fully independent, self-managing, cost-accounting, and self-financing entities, on the basis of democratic economic principles and with the state's support," as stipulated in the Model Collective Farm Statute. The state has made the collective farms docile followers of orders and has divested them of all democratic principles. When a collective farmer retires or leaves the collective farm, he loses all right to the property that he labored for daily,

because his share has assumed a social (indivisible) character. It is this indivisible stock that perpetuates depersonalization, alienation, and a sense of nonownership. Given this situation, it is quite difficult, and, as practice shows, impossible to change the peasant's psychology and make him interested in steadily augmenting and enhancing collective farm property and ensuring that production as a whole functions more efficiently. Clearly, what we need to do is look for a form of ownership in which every peasant would know how much he has contributed with his labor and what his contribution to social production is.

Article 14 of the Model Collective Farm Statute, which has not yet been repealed by anyone, provides for introducing so-called shareholder relations [payovi vidnosyn], that is, for determining each collective farmer's share of communal property, and in general terms describes the mechanism for calculating this share and paying dividends on it. There is therefore no need to break up the established production system, it only needs to be improved. When we take into account that each collective farm now has its own family dynasties, we begin to see that there exists a real possibility of creating the financial conditions needed for the emergence of a private farm system through the combining of shares by family members. Of course, the state should support this process in every possible way. At the same time, to enable collective farms to function better, they should not be disbanded, but rather they should be given an economic incentive to deliver their production to the consumer—that is, they need to be transformed from simple producers of raw materials into participants in the production and sale of the finished product. For the collective farm to fully realize its potential, it needs to be given at least one opportunity to independently establish its own production volumes and production program, choose its own suppliers of resources and consumers of its goods, set prices and decide how to use its income and regulate its relations with the state and other enterprises through laws, legal and contractual documents, prices, rent payments.

If this occurs, there will be no crisis in production, no reprofiling of this production, and the state and the people will not abruptly lose a producer, who, despite all the problems and difficulties, now feeds everybody.

Conference Discusses Privatization, Reform Problems
934K0271C Kiev SILSAL VISTI in Ukrainian
16 Dec 92 p 2

[Article by B. Polishchuk: "We Cannot Rely on Reforms Alone: Some Reflections on a Scientific-Practical Conference"]

[Text] The peasant has long feared reorganization—even the word "reform"—because he has experienced what this means on his own back. The signs change, desks are rearranged in administrative offices, and all these things are accompanied by a highly vocal campaign as if to say

see, we have finally found what we have spent many years looking for. But on closer examination, it all proves to be no more than a Gipsy whistle (i.e., a deception).

Now a new reformist wave is rolling towards the agricultural community, promising that its salvation lies in private farming, shares, stocks, privatization, etc. Great hopes are being placed in all these things. Certain government officials are elevating this to a top-priority rural policy and setting rigid deadlines for conducting the next campaign.

In light of this situation, we think that the Ministry of Agriculture and Food did a very good thing by holding a scientific-practical conference on the subject "On the Status and Principal Directions of Reforming Ownership of Property in the Agroindustrial Complex" and inviting oblast deputy presidential representatives in charge of the agroindustrial complex, directors of agriculture and food administrations, heads of oblast state administrations, and leading scholars to participate in the conference. The goal was to discuss and elucidate many issues that are anything but unimportant.

The discussion, in which Vice Premier V. Demyanov took part, was a success. In particular, a great deal of attention was focused on issuing shares in the farms' capital stock and working capital, the timetable for the distribution of which has much support.

This is not something new. The first to start this three years ago in Ukraine was M. Melnyk, a prudent manager and the chairman of a collective farm (today the Lypivka Corporation) in Tomashpil Rayon, Vinnytsya Oblast. Like many other agrarians, he was very concerned about what to do to make the peasant feel like an owner once again. An examination of peasant life—past and present—suggested that until the collective farm worker owns some property, he will not be a master of the land. And so they started searching for a solution. Finally, they came up with approximately the following plan: a collective farm member should own a share of land, as well as a share of the capital stock and working capital in monetary terms, which would bring him dividends. The more years he has worked, the larger his share and therefore his dividends. Your retire and your share continues to work for you. You can leave it as a bequest to your children. If you want to farm on your own, you take your share and leave the collective farm. In short, owning shares will give the peasant an interest in strengthening the collective enterprise, ensuring that the end product of his labor is of high quality, and preserving and augmenting the common property.

As we can see, the idea has a sound basis. These are the arguments that were used by government bodies in seeking to introduce the mass distribution of shares by farms. But in practice things are not that simple. The conference participants listened with great interest to the speech of Mykola Yevtukhovych Melnyk, the initiator of share distribution. He had much to tell, and he did so

honestly and candidly. Share distribution, said M. Melnyk, to some extent resulted in a better attitude on the part of the collective farmer to his work, and this has had a positive effect on the results of this work. If the farm profits, so do the peasants. For example, a machine operator with an average length of service received on the average over two thousand karbovantsi in old money per year in dividends—not a bad "supplement" to his principal income.

But has the main goal been achieved—instilling the peasant with a sense of ownership? Did everyone begin working with enthusiasm and begin protecting collective property from thieves? No. As in the past, it is the administration that guards property against thieves. There are some shareholders who do not want to work at all. They are satisfied with any kind of payment and any amount of dividend. Such people have in effect become parasites on the corporation (that is what they called the farm, because it combines collective and private ownership). Now they face the problem of how to rid themselves of such people. The community does not want to feed the indolent, they cannot be driven out of the collective, and they refuse to leave it on their own. They feel secure behind the broad backs of the industrious. The corporation believes that the solution lies in dissolving itself and then reforming itself anew, but without these indolent people.

Perhaps that is the solution. Perhaps Mykola Yevtukhovych is right when he explains why share distribution has not worked quite as well as it should have. In his opinion, the collective farm members did not get a real sense of their shares, did not hold their property in their hands, as it were, because it came down to them like manna from heaven. M. Melnyk believes that some of these disinterested farmers need a crisis, so to speak, to force them to feel responsible for their own fate, to make them consider what their shares and the collective mean to them, and how they will live if there are no broad backs on which to rely.

That is how complex the situation is in practice. And this at a farm where the manager himself "fell" for share distribution and nurtured it like a baby.

"What Mykola Yevtukhovych has described is perfectly understandable," explained Academician V. Yurchyshyn at the conference. "We spent many years unteaching the peasant to be the master of the collective field and farm, and now we want to instill this sense in him in a single day. This is a futile undertaking. Such processes occur in an evolutionary and not a revolutionary manner. We must consider everything carefully."

There is indeed much to consider. Apart from all the good intentions, much of what is happening cannot be ignored. Here are some situations from real life. For example, the land in a village has already been shared out and then people are resettled in the village from the polluted Chernobyl zone. Who will give up his share of

land to the newcomers? Conflicts on this basis have already cropped up. Yet we want the reforms to benefit people and the common cause! Here is another situation that turns two villages into enemies. At some point in the past, two collective farms were forcibly united. The central farm settlement flourished, while the brigade village declined. Its residents decided to farm independently, but there was a surprise in store for them—the land was divided up into shares. The brigade village, which had been treated like a stepchild for many years and had declined, had fewer people left in it. As a result, the newly established farm was allotted much less land than it had before being merged with its neighbor.

What about the resettlement to Crimea of the Crimean Tatars, who had been victims of repression in the past, and the resettlement of Germans to a number of southern regions? How will they be incorporated into the process of blanket distributing of shares?

We cannot ignore the fact that attempts at reform have already created problems at many farms. In some places, collective farms are being virtually plundered apart under the pretext of share distribution and privatization. Veterans, who at one time carried the heavy burden of establishing and rebuilding the farms, have been passed over. This happened, in particular, at the Frunze Collective Farm in Popilnya Rayon, Zhytomyr Oblast, and at the "Illich's Way" Collective Farm in Znamyanka Rayon, Kirovohrad Oblast. There are plenty of farms where the distribution of shares is conducted purely for the sake of appearances, for the sake of reporting that distribution has taken place, without a clear idea of what this process is all about.

The Ministry of Finance has already proved itself very efficient. Even before anyone had seen the newborn peasant dividends because of the hard times in which farms now find themselves, the finance ministry slapped a tax on them.

In light of the above, what Deputy Minister of Agriculture and Food V. Hrevtsov said at the conference leaves one very apprehensive:

"Considering that property has already been divided up into shares in 43 percent of all collective farms, we feel that it is possible to conclude this process before the beginning of spring field work."

Is it really possible? We need to be careful to avoid excessive zeal in this undertaking.

Many speakers at the conference noted that some view private farming, like share distribution, in simplistic terms, seeing in it a panacea for all ills, and want to use administrative means to push forward this policy. There is no doubt that various forms of ownership have the right to exist and that all should have identical opportunities to develop. Let them all thrive and compete. The peasant himself will choose the way he wants to farm that suits him best. But we must reckon with realities. The state has not created the necessary conditions for the

mass development of private farming. It has not provided equipment, fertilizers, herbicides, pesticides, fuel, or credits. If we have decided to model ourselves on the American farmer, let us not pretend that we are unaware that there exists a solid service structure for his benefit, and let us not push a spade into our own farmer's hands.

And another thing. Did anyone stop to think when adopting the Law on Peasant (Farm) Holdings, which provides for allotting each private farmer 50 hectares of tillage and the same area of other lands, how this form of farming will be implemented in densely populated regions, especially in the west? If this amount of land were allotted here, it would mean that each village would have only a few farmers. And what are the rest of the peasants to do? Go to work for them? Small wonder that social tensions are growing in some places.

Nor must we ignore the psychological factor when changing the way we farm and the forms of ownership. We had it pounded into our heads since childhood that private ownership, kulakdom, is a great evil. Now we are told at one go to believe that the opposite is true. We need to overcome this as well.

Many problems crop up in privatizing processing enterprises. Those who stand closest to the finished product, those who divide up the pie, always enjoy the most advantageous position. The producer and processor are constantly clashing. To eliminate this, scholars advise combining processing and production (as well as the sale of finished products) into a joint enterprise, with the controlling block of stock going to the producer. Currently, the law infringes upon the interests of the peasants. The processors do not want to budge an inch away from the pie, and they have united in placing their own collectives first in line to privatize enterprises. Will the peasant's interests be again ignored?

Problems... Problems... It is not as easy to reform relations, ownership, and production in the agroindustrial complex as some think. Unquestionably, this needs to be done, but people need to conclude in their own minds that a change is necessary. Life itself and the economic principles instituted by the state should prompt them to make these changes, and not an administrative whip.

We must clearly grasp one very important circumstance. For many years, Ukraine's economy developed as part of the national-economic complex of the former Union; it does not have its own strong material and technical base, on which the farmers could rely. We are continually dependent on someone's whims for our supplies of herbicides, pesticides, fuel, two-thirds of our equipment. All our reforms will be of no account if we do not immediately create such a base. There is no more important task today.

In all likelihood, most agrarians and scholars understand this. It also needs to be understood by parliamentary and government officials, who place overly high hopes on reforms alone. We must take care not to get so carried

away with reforms that we tie new knots in the already tangled knot of rural problems.

Decree on Standardization of Wage Scales for General Occupations, Addendum

934K0338A Kiev PRAVDA UKRAINY in Russian
10 Feb 93 pp 1, 3

[“Decree of the Cabinet of Ministers of Ukraine of 2 February 1993, No. 74, Kiev: On Standard Wage Scales for Workers and Employees in the General (Common) Occupations and Positions” and addendum: “Who Will Be Paid How Much”]

[Text] In order to implement the norms of the Decree of the Cabinet of Ministers of Ukraine “On Wages” with respect to the peculiarities of wages for certain categories of workers and contractual regulation of wages, the Cabinet of Ministers of Ukraine decrees:

To approve the standard wage scales of workers and employees in the general (common) occupations and positions, developed by the Ministry of Labor and coordinated with the Ministry of Finance, Ministry of Statistics, and Ministry of Justice according to the addendum.

To recommend these wage scales to parties conducting collective negotiations for concluding general rate agreements as a subject of these negotiations for adopting a coordinated resolution on their application.

[Signed] Prime Minister of Ukraine L. Kuchma
Minister of the Cabinet of Ministers of Ukraine A. Lobov

Addendum to the decree of the Cabinet of Ministers of Ukraine of 2 February 1993, No. 74: “Standard Wage Scales for Workers and Employees in General (Common) Occupations and Positions”

The Standard Wage Scales for Workers and Employees in General (Common) Occupations and Positions consist of:

The Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 1;

the list of general (common) occupations of workers, assigning them to categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 2;

the list of occupations of workers employed in loading and unloading work, assigning them to categories of the

Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 3;

the list of productions and jobs, assigning workers employed in them to categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 4;

the list of positions of employees of general (common) occupations, assigning them to categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 5;

the list of positions of employees employed at enterprises, institutions, and organizations of transportation, highways, transport-expediting services, processing and storage of freight, communications, the press, and the hydrometeorological service, assigning them to categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 6;

the list of positions of managers, specialists, and employees of training-course combines (training points), technical schools, and other educational institutions for occupational training of workers in production, assigning them to categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions according to Table No. 7;

plans for differentiation according to categories of positions of managers, specialists, and employees of training-course combines (training points), technical schools, and other educational institutions for vocational training of workers in production, depending on the number of participants, their education and length of service, according to Table No. 8.

Upon introduction of the Standard Wage Scale, the existing policy for establishing increments, additional payments, bonuses, and other incentive and compensatory payments is retained.

The wages rates (salaries) of workers and employees of general (common) occupations and positions are revised by managers of enterprises, organizations, and associations upon a change in the amount of the minimum wage in keeping with a decision of the Cabinet of Ministers when it is introduced.

The assignment of general (common) positions and occupations of workers of enterprises, institutions, and organizations not envisioned by the present conditions is done by the Ministry of Labor in coordination with the Ministry of Finance upon application from the corresponding ministries and departments.

[Signed] Minister of the Cabinet of Ministers A. Lobov

Table No. 1.

Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions						
Rate categories	Rate coefficients		Rate categories	Rate coefficients		
	Group I	Group II		Group I	Group II	Group III
1	1	1	9	2.26	2.16	—
2	1.12	1.06	10	2.49	2.37	—
3	1.25	1.18	11	2.74	2.61	—
4	1.39	1.32	12	3.01	2.92	2.83
5	1.54	1.47	13	3.31	3.21	3.11
6	1.70	1.62	14	3.64	3.53	3.42
7	1.87	1.78	15	4.01	3.88	3.76
8	2.06	1.96	—	—	—	—

Notes:

1. The amount of the wage rate (salary) of the first wage category is determined at the level of the minimum wage established by the state.
2. Wage rates (salaries) of other categories and groups are determined by multiplying the wage rate (salary) of the first category by the rate coefficient of the corresponding rate category and the group of rate coefficients.
3. Two groups correspond to each rate category from the second to the 11th, and from the 12th to the 15th—three groups of wage rate coefficients. Based on these groups, from each rate category one establishes, correspondingly, two or three fixed amounts of wage rates (salaries). The establishment in enterprises, institutions, and organizations of specific amounts of fixed wage rates (salaries) for workers of the same category is done taking into account the results of their work.

Table No. 2

List of General (Common) Occupations of Workers With Assignment to Categories of the Standard Scale for Wages of Workers and Employees in General (Common) Occupations and Positions

Name of occupation	Rate category
Watchman, cloakroom attendant, courier, boiler room attendant, loader, guard, janitor, doorman, coachman, drink server	1
Heating engineer, elevator operator	1-2
Floor polisher, bath house attendant, escalator monitor, marker, ad pasteur, sharpener	2
Linen keeper, subsidiary (transportation) worker, grounds keeper, janitor of production premises, public toilets, grounds, porter, window cleaner, scale operator, carner, doorman, groom, gardener, photocopy operator, mimeograph operator, plumbing inspector	2-3
Special clothing dry cleaner, driver of electric and motorized carts, transport-receiving and self-propelled mechanisms, disinfectant, huntsman, controller, warehouseman, change machine operator, document binder, polisher of floors made of valuable kinds of wood, agricultural raw material receiver, trash chute attendant	3-4
Cleaner of public toilets, driver of transport-harvesting vehicles, operator of machine for cleaning and mending specialized clothing, operator of automatic gas control equipment, meat cutter, dog breeder, operator of high-speed elevators with speeds from 2.5 to seven meters per second and higher	3-5
Attendant at warehouse for acids and chemicals and batching items, operator of microfilm and copying equipment, freight and baggage receipt and dispatch clerk, window washer for working on buildings with 12 stories and more and places with difficult access	3-6
Copying and reproduction machine operator: for obtaining copies on paper	3-5
when manufacturing printed forms from text and sketched originals	6
when manufacturing printed forms from originals containing half-tone and liquid depictions	7
Computer operator:	
second category	4-6
first category	5-7
Clothing model	5-6
Computer operator, worker for improvement of population points	6-7
Computer operator (senior)	7-8
Production training instructor for workers in mass occupations	7-9

Table No. 3

List of Occupations of Workers Employed in Loading and Unloading Work With Assignment to Categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions

Name of job or occupation	Rate category
I. When loading (unloading) hot metal, sinter, and slag; when loading (unloading) ore, pitch, coal, coal briquettes, creosote, bottoms and anode mass, asbestos, nonslaked lime, mineral wool, cement; when loading (unloading) ships with harmful cargo, frozen cargo, and cargo weighing more than 50 kg per piece:	9
1) loaders	9
2) machine operator loaders* serving: the most important ports and border railway stations handling export and import cargoes	11
other sea ports, river ports, railway stations, and enterprises and organizations of other branches	10
II. When loading (unloading) into railcars, trucks, and other rolling stock harmful cargoes, frozen cargoes, or cargo with one piece weighing more than 50 kg:	
when loading (unloading) other cargo onto ships:	
1) loaders	8
2) loader-machine operators serving:	
the most important sea ports and border railway stations handling export-import cargo	10
other sea ports, river ports, railway stations, and enterprises and organizations of other branches	9
III. When loading (unloading) other cargo into railcars, trucks, and other; for handling cargo between warehouses:	
1) loaders	7
2) machine operator-loaders serving:	
the most important sea ports and border railway stations handling export-import cargo	9
other sea ports, river ports, railway stations, and enterprises and organizations of other branches	8

*Workers of comprehensive brigades of the fourth class of the classification doing loading and unloading work using means of comprehensive mechanization and those combining the occupations of loader and machine operator.

Note: Wages of workers of comprehensive brigades during the time of performance of work related to technical servicing and preventive maintenance of loading and unloading machines and equipment are derived from a calculation of the wage rate of category 10.

Table No. 4

List of Products and Jobs With Assignment of Workers Employed in Them to Categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions

Kinds of products and jobs	Skill categories of jobs and rate categories of workers					
	I	II	III	IV	V	VI
I. Workers of enterprises and shops for repair of equipment (rolling stock, ships, and motor vehicles), control and measurement instruments and automatic equipment; repair-construction, energy, smelting, forging, and steam-driven operations, tin can, electric smelting, and lithography-stamp shops and shops for coating tin, ventilation-humidifier and oxygen equipment; purification installations	4	5	6	7	8	9
II. Workers in production shops and subdivisions directly engaged in the repair and adjustment of the basic technological, electrical, energy, experimental, and scientific equipment, machines, mechanisms, ships, motor vehicles, and other rolling stock, computer equipment, control and measurement instruments, and automated equipment	5	6	7	8	9	10
III. Workers employed in machine tool work related to processing metal and other materials, cutting on metal-processing machine tools, work related to cold stamping of metals and other materials, and the manufacture and repair of instruments and technological fittings	5	6	7	8	9	10
IV. Machine operators engaged in loading and unloading work	4	5	6	7	8	9

Note: Wage rates calculated in keeping with the rate categories specified in Point II of the present table may be applied for wages of welder-repairmen and welder-electricians for repair of electrical equipment, electrical mechanics for repair and service of computers, welders of control and measurement instruments and automated equipment, adjusters of machine tools and manipulators with programmed control, adjusters of machine tools and manipulators with programmed control, adjusters of control and measurement instruments and automated equipment, electricians for servicing electrical equipment, electricians for repair of electrical equipment, and workers of other occupations.

Other workers employed in nonproduction sections in jobs listed in Point II of the present table are paid according to wage rates calculated in keeping with the rate categories specified for workers of repair plants and shops (Point I of the present table).

At metallurgical enterprises for ferrous and nonferrous metallurgy wage rates of workers of oxygen shops with consolidated and highly productive equipment constituting a technological unit of metallurgical production may be increased by 12 percent.

Table No. 5

List of Positions of Employees of General (Common) Occupations With Assignment to Categories of the Standard Wage Scale for Workers and Employees in General (Common) Occupations and Positions

Name of position	Range of wage rate categories
Manager of office, central warehouse; senior salesman	7-11
Manager of typing pool; senior cashier, cash collector, inspector; salesman, sign language interpreter, stenographer of category I, proof reader	7-10
Cashier, cash collector, inspector; manager of archives, business, warehouse, copying and reproduction office, photographic laboratory, stable, stenographer of category II, typist of category I	6-9
Typist of category II, secretary-stenographer, dispatcher for sending out finished products, expeditor for shipping cargo, price quoter, senior timekeeper, secretary of training unit (dispatcher), secretary of a blind teacher	4-8
Secretary-typist, supply agent, bookkeeper, draftsman, correspondence clerk, archivist, estimator, head of storage room, work assignment supervisor, tally clerk, timekeeper, copy clerk	3-7

Notes: 1. Salaries of individuals in charge of consolidated archives with up to 75,000 storage units are set within categories 8-9, and with a volume of materials of more than 75,000 storage units—within categories 10-11.

2. Salaries of senior salesmen with a higher education are established within the limits of categories 11-12, and salesmen with a higher education—within the limits of categories 10-11.

Table No. 6

List of Positions of Employees Working at Enterprises, Institutions, and Organizations of Transportation, Highways, Transportation-Expediting Services, Processing and Storage of Cargo, Communications, the Press, and the Hydrometeorological Service With Assignment to Categories of the Standard Rate Schedule for Wages of Workers and Employees in General (Common) Occupations and Positions

Name of Position	Range of rate categories
Head of ticket office, accounting and accountability group for sale of passenger tickets, combined cash register, ticket offices; senior work assigner of locomotive brigades in mainline rail transportation, senior agent for transfer of cargo at border stations (points), assistant chief in charge of uncategorized railway station (airport), inspector-instructor for monitoring passenger transportation	8-11
Chief of: office for locating cargo and baggage, military accounting office, certificate and passport bureaus of sea and river ports, warehouse for unclaimed freight, payment point for river transportation	7-9
Senior salesman, senior cashiers; baggage, commodity (cargo) when performing duties of brigade leader, senior: work assigner of locomotive brigade, work assigner for train brigades, work assigner for locomotive brigades on mainline rail transportation	7-9
Person in charge of room for storage of hand luggage, rooms for relaxation of passengers in uncategorized railway stations (airports), the house of recreation for locomotive (train) brigades, the office for keeping track of the movement of cars	6-8
Senior: operator of station technological center for processing train information from shipping documents, operator for dispatch traffic and loading and unloading work in automotive, sea, and river transportation, agent for transfer of cargo at border station (point)	6-8
Cashiers; baggage and commodity (cargo) of category I; price quoter for transportation documents of category I, work assigner of locomotive brigades, work assigner of train brigades, controller-inspector of passenger trains, assistant chief in charge of railroad of classes 1 and 2	5-8
Chiefs of: bureau of information on approach and arrival of cargo, rooms where passengers relax at other railway stations (airports); senior controller of passenger transportation, agent for locating cargo and baggage, assistant chief in charge of station of class III, in charge of meeting and dispatching subway trains	5-7
Cashiers; baggage and commodity (cargo) of category II; price quoter for shipping documents of category II, commercial agent; operators: in railroad administrations and divisions, at the station, in the locomotive depot, the electric car depot of the subway, office for dispatch and loading and unloading work in automotive, sea, and river transportation, secretaries of managers of: railroad, railroad division, subway, civil aviation association; steamship line, river fleet association	5-7
Chiefs of: mail forwarding office, truck driver relaxation rooms; passenger transportation controller, trip and excursion organizer, cargo expeditor, agents for: receiving ticket orders, delivering ordered tickets, orders from the population for transportation	4-6

List of Positions of Employees Working at Enterprises, Institutions, and Organizations of Transportation, Highways, Transportation-Expediting Services, Processing and Storage of Cargo, Communications, the Press, and the Hydrometeorological Service With Assignment to Categories of the Standard Rate Schedule for Wages of Workers and Employees in General (Common) Occupations and Positions (Continued)

Name of Position	Range of rate categories
Workers in charge of: information booth, railroad agencies, customer service offices, transportation-expediting agency (branches, commercial offices), point of the transportation-expediting agency at the railway station or trucking stations, for crossing, communications enterprises, passenger relaxation rooms, houses of recreation for locomotive (train) brigades, truck driver relaxation rooms, announcer, operators of car depo, washing and steaming station, bureau for information on the approach and arrival of cargo, senior controller of the regulation bureau for civil aviation	4-6
Coding clerk, senior rate quoter, extra [as published], rate quoter, civil aviation bureau controllers, platform attendant, ticket inspector of communications center	3-5

Table No. 7

List of Positions of Leaders, Specialists, and Employees of Training-Course Combines (Training Points), Technical Schools, and Other Institutions for Vocational Training of Workers in Production With Assignment to Categories of the Standard Wage Rate Schedule for Workers and Employees in General (Common) Occupations and Positions

Name of position	Range of rate categories
Director (chief) of training institution	10-15
Deputy director for production-training unit (work), chief of branch of training institution	9-14
Senior foreman of training institution	9-14
Foreman of production training	8-10
Foreman of production training for driving means of transportation	9-10
Machine operator	6-9
Technicians in all specialties	6-8
Laboratory assistant	6
Methodologist of training institutions for training and improving qualifications of workers in production	6-8

Table No. 8

Plan for Differentiation According to Categories of Positions of Leaders, Specialists, and Employees of Training-Course Combines (Training Points), Technical Schools, and Other Training Institutions for Occupational Training of Workers in Production, Depending on the Number of Students, Education, and Work Tenure

Positions	Wage rate categories, Number of students						Work tenure, years		
	up to 280	from 281 to 400	from 401 to 640	from 641 to 880	from 881 to 1,120	more than 1,121	up to 5	from 5 to 10	more than 10
Director (chief) of training institution	10	11	12	13	14	15	—	—	—
Deputy director of training-production unit, chief of branch of training institution	9	10	11	12	13	14	—	—	—
Senior foreman (salaries are established according to group II of rate coefficients)	9	10	11	12	13	14	—	—	—
Methodologists in training and improving qualifications of workers in production	—	—	—	—	—	—	6	7	8

Note: Wages for methodologists in training and improving qualifications of workers in production are established according to group I of the wage rate coefficients—if they have a higher education, according to group II of the wage rate coefficients if they have secondary specialized education.

Government Efforts To Support Agriculture Noted

Additional Funds for Agriculture

934K0269A Kiev SILSKI VISTI in Ukrainian
11 Dec 92 p 1

[Press Service of the Prime Minister of Ukraine: "To Meet Rural Needs"]

[Text] The Cabinet of Ministers of Ukraine has passed a decree on additional measures to stabilize the financial and economic state of agriculture and other branches of the agroindustrial complex of Ukraine.

This was done in response to the circumstance that prices in these sectors are, for the most part, fixed, and the financial state of these branches has worsened as a result of a significant increase in the cost of materials, equipment, and energy resources and as a result of rising costs in capital construction.

The government has charged the Ministry of Finance in collaboration with the National Bank of Ukraine to compensate agricultural goods producers and veterinary-sanitary recycling plants [vetsanutylyzavody] for the additional losses they incurred in 1992 due to the rise in the cost of fuel, electricity, mixed feed, and other resources in the total amount of 161 billion karbovantsi.

The following will be financed:

losses resulting from a rise in the cost of the construction of projects in the agroindustrial complex system that are financed by state centralized capital investments—35.9 billion karbovantsi;

outlays of agricultural enterprises for the construction of cultural and consumer facilities, roads, and water supply and gasification projects in rural areas that were begun before 1 January 1991—12.4 billion karbovantsi;

supplementary payments to agricultural goods producers for sunflower sold to the state in 1992—8.6 billion karbovantsi;

additional expenditures of milk processing enterprises of the city of Kiev to transport raw materials and expenses due to the rise in the cost of materials and equipment and of energy resources—0.3 billion karbovantsi;

subsidies and reimbursements for losses suffered by processing enterprises from the sale of certain kinds of bread and bakery products and children's foods—43 billion karbovantsi;

expenditures to acquire genetic resources (pedigree cattle, poultry, sperm, embryos, and others)—0.5 billion karbovantsi.

The procedure for disbursing the described funds will be established within the period of a week. Supervision over their targeted utilization has been assigned to the Ministry of Finance and the Ministry of Agriculture and Food.

Action by Government Bodies Projected

934K0269B Kiev SILSKI VISTI in Ukrainian
26 Dec 92 p 1

[Unattributed article: "Rural Production: State Orders and the Mechanism of Price Formation"]

[Text] In order to create state reserves of agricultural products and raw materials, the Cabinet of Ministers issued Decree No. 714 on 23 December of this year approving the 1993 volumes of state orders for grain, oil crops, sugar beets, milk, meat, and eggs. The 1993 state orders are to be submitted to ministries and departments, the Council of Ministers of the Republic of Crimea, and the oblast and Sevastopol city state administrations by the Ministry of Economy within a week.

The Ministry of Finance is opening a special account for the Ministry of Agriculture and Food to accumulate revenues from value-added taxes received from agricultural goods producers, which are to be used to regulate the price of milk, meat, and hogs that are sold to the state (the list may be adjusted by the Ministry of Agriculture and Food, the Ministry of Economy, and the Ministry of Finance, depending on market conditions).

The Ministry of Agriculture and Food, together with the Ministry of Economy, the Ministry of Finance, and the Ministry of Statistics, are to determine and submit to agricultural goods producers and procurement enterprises and organizations approximate base procurement prices [startovi tsyny] of the basic kinds of agricultural products, as well as the procedure for indexing these prices, while the Ministry of Statistics is to ensure the use of proper reporting procedures [zvitnist].

A recommendation was issued to the Council of Ministers of the Republic of Crimea and the oblast and Kiev and Sevastopol city state administrations to look into the possibility of quotaed sale to consumers of certain kinds of meat products, dairy products, bread and bakery products, oil, and sugar.

Procurement organizations will be granted preferential credits for advance payments to suppliers of agricultural production. The Ministry of Finance in coordination with the National Bank is to determine the procedure for granting such credits and to set aside in the 1993 budget the funds needed to partly reimburse commercial banks for interest rates.

With the approval of the Ministry of Finance, a preferential credit has been issued to the Ministry of Agriculture and Food to advance agricultural goods producers 30 percent of the value of the milk, cattle, and poultry that will be sold to the state in January 1993, with the provision that this loan will be repaid from revenues received into the special account of the Ministry of Agriculture and Food.

The State Committee on Material Resources, the Ministry of Economy, the State Committee on Oil and Gas, the Ministry of Energy and Electrification, the Ministry

of Agriculture and Food, and the State Committee on Cereal Products are instructed to ensure priority deliveries of material and technical resources (fuel and lubricants, means of plant and animal protection, mineral fertilizers, and mixed feed) to agricultural goods producers in the amounts required to produce the volume of agricultural products and raw materials stipulated in the state orders.

In drafting the Decree on the State Contract and State Order, provision must be made for a system of measures comprising the mechanism for forming and economically stimulating the state order for agricultural products and raw materials in 1993.

Vice Premier Demyanov Press Conference

934K0269C Kiev *SILSKI VISTI* in Ukrainian
26 Dec 92 p 1

[Article by B. Polishchuk: "The Government Offers Hope. Press Conference of Vice Premier V.V. Demyanov"]

[Text] The village economy [selo] is sliding into an abyss. Compared with last year, production has fallen by 15-30 percent. Owing to a shortage of feed, the former government's ineffectual financial and procurement policy, and the dictate of monopolistic processors, the livestock industry, especially the dairy industry, worked for "self-consumption" ["samozyidannya"] in the last quarter, selling production to the state at below-cost prices. A difficult spring lies ahead, because winter fallow was left unplowed and winter wheat was left unsowed on a million hectares, while the trickle of fuel to farms resembles a cat's tears (i.e., is nothing to speak of).

The peasant is therefore watching what the new government is doing with great apprehension: does it understand the situation in which the farming community now finds itself? Is it taking immediate steps to ensure that the line beyond which it will be too late to do anything is not crossed?

At his press conference, Vice Premier V.V. Demyanov gave an affirmative answer: the government is taking steps to alleviate the situation and overcome the crisis. A decree has been passed providing for a series of stabilizing measures (we are publishing a report on it today—Ed.). In particular, the procurement prices of agricultural products will be significantly raised. (The state will be paying more than 300 karbovantsi for a kilogram of meat.) These prices will take into account the real costs of production and will be indexed if there is a rise in the price of energy supplies, equipment, fertilizer, etc. The base price [startova tsina] of grain [khliv] in the state order will be set to reflect the above principle and will also be flexible. The vice premier stated that the goal is to lower the impact of various cataclysms and turbulent inflationary processes on the profitability of individual branches and to equalize the prices of industrial and agricultural production.

In response to a question, the vice premier noted that steps are also being taken to convert a portion of the defense complex and a series of enterprises to produce goods for farmers: equipment, herbicides, pesticides [otrutokhimikaty—toxic chemicals], etc. The exhibition of agricultural equipment at the Republican Exhibition and Fair Center, in particular, attests this. The problem now is to set up the mass production of this equipment as soon as possible.

Fuel undoubtedly poses the most acute problem. Will we have it by spring? The vice premier said that our principal supplier is undependable. The government is doing everything it can to obtain oil products for Ukraine. The newly formed state system now incorporates the former "Silhospiekhnik" [Agricultural Equipment Association], which was granted a large preferential credit to supply farms with oil products. Plans call for allotting 75 percent of the fuel obtained by Ukraine to farms in order to create a reserve of fuel before the start of spring field work.

Those attending the press conference asked how the government hopes to supplement grain supplies. The vice premier answered that it is mainly a question of corn needed to feed livestock. The hot summer caused a shortfall of corn not only in Ukraine, but also in many European countries. The United States has corn. An agreement has been signed with the U.S. Department of Agriculture for the delivery of 200,000 metric tons of this grain. It is expected to arrive in January and somewhat alleviate the feed shortage in February.

The rise in the procurement prices of agricultural products poses a very logical question: will this not result in an exorbitant increase in the retail prices of bread, meat, milk, and other products? Will it not have a catastrophic effect on the well-being of the whole population, as well as the farmer, if the state does not assume a portion of the costs? Answer: the prices will be bearable. There are sufficient funds for such a subsidy until the end of the year, and then we shall see.

The following information is also noteworthy. State orders will be smaller. The state will try to provide resources for this. Output in excess of orders will be at the disposal of farms to do with as they choose. Licenses and quotas will be revoked.

Fuel Supplies for Agriculture

934K0269D Kiev *SILSKI VISTI* in Ukrainian
26 Dec 92 p 1

[Press Service of the Prime Minister of Ukraine: "Fuel for the Agroindustrial Complex"]

[Text] The Cabinet of Ministers passed a decree on immediate measures to supply the agroindustrial complex with oil products.

The decree provides for ensuring stability in the operation of enterprises comprising the agroindustrial complex and for laying in the necessary reserves of oil products needed for spring field work.

Towards this end, the government has charged the State Committee on Oil and Gas to supply the agroindustrial complex with fuel and lubricants in the period from December 1992 through the first quarter of 1993 using state funds. The supply of fuel and lubricants is to be no less than 75 percent of the amount produced by Ukraine's oil refineries.

The State Committee on Oil and Gas, the Ministry of Agriculture and Food, and the *Ukrahrotekhservis* Concern [Ukrainian State Concern for Supplying the Agroindustrial Complex with Materials, Equipment, and Services] are to ensure that before spring field work begins the rayon agroindustrial supply centers [*rayahropostachi*] and collective and state agricultural enterprises and farms are supplied with 200,000 metric tons of gasoline for motor vehicles and 400,000 metric tons of diesel fuel.

Throughout 1992-1993, the Ministry of Agriculture and Food and *Ukrahrotekhservis* will be buying oil and oil products from member states of the CIS and other countries in higher volumes than those provided for in interstate agreements in order to meet in full the demand of the agroindustrial complex for fuel and lubricants.

The Ministry of External Economic Relations and Trade will issue licenses according to standard procedure to the *Ukrahrotekhservis* Concern to export raw materials and food products in established quotas in exchange for oil products. The State Committee on Oil and Gas will ensure that the purchased crude oil is refined at Ukrainian refineries. The Ministry of Agriculture and Food has been charged with the distribution to consumers of the oil products in question.

The Ministry of Economy and the Ministry of Finance, together with the National Bank of Ukraine, will make provision to grant the *Ukrahrotekhservis* Concern an initial [*startovyy*] preferential credit in the amount of 30 billion *karbovantsi* for the purchase of oil and oil products. The National Bank of Ukraine will ensure priority clearing of payments for oil and oil products outside Ukraine.

The Ministry of Agriculture and Food and the State Committee on the Food and Processing Industry, in cooperation with the oblast state administrations, will create the reserves of agricultural raw materials and food products needed for a mutually profitable exchange for oil and oil products, which will be supplied on a contractual basis by *Ukrahrotekhservis*.

Grain Distribution, Utilization Assessed

934K0272A Kiev *SILSKI VISTI* in Ukrainian 4 Dec 92 p 2

[Article by M. Mezentshev and B. Polishchuk: "Bread: On the Table and in the Feeding Trough. With Probably the

Highest Per Capita Grain Output in Europe. How Long Will Ukraine Go Around with Outstretched Hand?"]

[Text] Bread is the brother of politics. A state that is rich in bread has great prestige and exercises appreciable influence in international affairs. That it enjoys stability on the domestic front goes without saying. As soon as long lines appear outside the bread stores, social tensions emerge. We listen to the conversations among the people waiting in those lines. Ukraine, which used to be recognized by the world as a breadbasket, has reached the end of its rope. Among those standing in line, there are "experts" who blame all our troubles on one principal culprit: "It's the collective farms that are responsible for this whole situation. In other countries the land belongs to the farmers, and people have no problem obtaining food..."

One might well ask—what did happen to Ukraine? Has our soil been so depleted or have we grown so lazy that we cannot manage?

No catastrophes have been observed as far as the soil is concerned. Some years were better, some worse, but, on the whole, the grain sector has functioned with relative stability for the last two decades. The average annual grain yield in Ukraine was 40 million metric tons in 1971-75, 43.2 million metric tons in 1976-80, 39.3 million metric tons in 1981-85, and 49.4 million metric tons in 1986-90. We produce an average of 800 kilograms of grain per person annually, and in the last five years this amount reached 950 kilograms.

How does this compare with the situation abroad? Do we lag behind foreign farm indicators? On the contrary, Ukraine stands alongside as solid a grain producer as France. We are ahead of such European countries as Germany, Sweden, and Holland. It is therefore very logical to ask: if Ukraine produces more grain per person than does the foreign farmer, then why are we going to him with outstretched hand? How could Sweden, which produced around 650 kilograms of grain per person (1989), meet domestic needs and sell an additional 1.2 million metric tons outside the country. Last year we produced 778 kilograms of grain per person, bought 1,372,000 metric tons abroad, dipped into our reserves for an additional 1,555,000 metric tons, and, despite all this, were barely able to satisfy domestic demand for baked bread and macaroni products, while maintaining our livestock on hunger rations even in the record year of 1990, when we harvested more than a metric ton of grain per person.

A competent manager would have started looking for the hole into which our grain is disappearing a long time ago.

Let us begin with basics. Do we know how to manage the grain we grow in a civilized manner? According to physiological nutritional standards, annual per capita consumption in Ukraine comprises: 107 kilograms of bread and cereal products, 79 kilograms of meat, 388 kilograms of milk, and 365 eggs. To produce the described amounts of livestock products, the existing

standards require that we use 490 kilograms of grain. Thus Ukraine needs 31.7 million metric tons of grain ($490 + 107 \text{ kilograms} \times 52.5 \text{ million people}$ [as published]), and when we add to this the amount needed as seed stock, our requirements rise to nearly 35 million metric tons.

As we can see, even this year's grain yield (over 40 million metric tons) should suffice us not only to meet our food, feed, and seed requirements, but also allow us to allocate a certain amount to the alcohol industry and leave us 3 to 4 million metric tons to sell for foreign currency (bringing in half a billion U.S. dollars at the very least).

For us, however, all this is like a blissful dream. Why? It's not as if we are discovering America, as the saying goes, or that the facts we cite below are not known. It's just that the structures responsible for our food policy stubbornly refuse to acknowledge them. A foreign farmer never feeds his livestock so-called natural grain [zhyve zerno] without grinding it first in a crusher or a mill. Before the feed goes into the trough, it undergoes a process founded on scientific principles: a determination is made with respect to what vitamins, minerals, and amino acids should be added and in what amounts, the desired ratio of protein to the ground grain, and how many other components there should be. That is how feed is prepared both at individual farms, where the owner can obtain protein and vitamin concentrates and premixes, and at specialized plants that manufacture mixed feeds. More than twenty indicators are balanced in these feeds. There is a very wide variety of feeds; there are special feeds for calves, milch cows, cows in calf [sukhostiyni korovy], bull calves, chicks, ducklings, chickens, ducks, fish... Each lot of mixed feed carries a guarantee—the manufacturer assumes responsibility for his product: one kilogram of this feed produces this much growth. If not, the customer complains. This is something to be avoided, because the customer has to be reimbursed for his losses, and the firm's reputation suffers, which is probably the worst thing that can happen in the business world.

The by-products of processing are used as ingredients in mixed feeds—anything that can be ground up, dried, and packaged: bones, feathers, pressing by-products [vid-zhymky]... Virtually everything that would be discarded as waste and costs next to nothing. Incidentally, we are the only ones to sell meat with bones. What sweet innocence we exhibit in the search for the exact figure of meat consumption per person! All our rubbish heaps are loaded with bones, while in other countries they are put to good use. As it turns out, their mixed feeds contain no more than 45 percent of grain (only 19 percent in Holland). Consequently, significant amounts of grain are available for export. A well-organized mixed feed sector determines food policy. Judge for yourselves: in Denmark, Holland, and other countries in Western Europe and North America, only 3.2 centners of mixed feed is used to produce one centner of growth in the live mass of pigs [pryrostu zhyvoyi masy swyne], while we use

nearly 8 centners. A centner of growth in broilers requires 2 and 4.5 centners, respectively. Czechoslovakia, with two and one-half times fewer hogs than Ukraine, produces the same amount of pork as we do. One need not be a great economist to calculate how much grain we waste.

This situation has developed because Ukraine lacks a mixed feed industry as a system unto itself. There are mixed feed enterprises within the complex of the State Committee on Cereal Products, which have received huge sums of money and failed to produce the kind of returns they should yield. Pray, when did any of these enterprises offer any guarantees on their products and to whom? Where and when did they guarantee the kind of growth that is guaranteed in other countries? Yet there are more complaints than we know what to do with. The monopoly producer charges exorbitant prices for these products. As a result, an already a vicious circle grows even tighter. An ever growing number of farms is refusing the services of these enterprises. And we know what kind of "processing" or "enrichment" is done at the collective farm—with a mill or a crusher. Thus a sea of grain passes through the stomachs of animals. What economy can support this? What field will produce enough grain to waste in this manner? We have already plowed up our lands more than anyone else in the world—to the very limit.

We need to take a realistic look at yet another phenomenon, which our government leaders deliberately ignore as if it did not exist. As we have already stated, according to established standards, a person requires 107 kilograms of cereal products per year. Yet a much larger amount is used—146 kilograms. Some explain that because there is not enough other food, people are compensating by eating bread. Yet even when food was more plentiful, bread consumption was well above the norm. Let us be frank: the peasant is a smarter economist than some statesmen realize. He figured that in light of the shortage of grain forage [zerno-furazh] for sale, let alone mixed feeds, it would be more economical to feed cattle bread and groats [krupy].

Today, the peasant has also calculated that a kilogram of inferior mixed feed, which one first needs to find, costs around 26 karbovantsi. To obtain one kilogram of growth, a sow needs to be fed 5 to 6 loaves of bread, which will cost 30-36 karbovantsi. And a kilogram of meat at the market costs 350-400 karbovantsi.

We must not condemn the peasant for sacrilegiously using bread in this way. The peasant has to live; he has to provide clothing and shoes for his family. It is the state that pushes him into this kind of "economizing." Where the state makes an effort to meet him halfway, such distortions do not occur. Our newspaper recently reported about a collective farm, headed by O. Korostashovyy, in Kotelnya, Poltava Oblast. For every

two metric tons of milk sold to the state, each able-bodied collective farmer receives 225 kilograms of concentrate feed, and each pensioner receives 300 kilograms. As a result, they procure 400 metric tons of milk annually from the peasants' private plots.

What this suggests is that if production of the necessary amount of mixed feeds were properly organized and sold at reasonable prices as in other countries, the problem of the state order for livestock products would largely be solved. Pensioners would also join in this effort. It would be possible to specify in the contracts what amounts of mixed feeds the state would sell to producers (collective farms, state farms, or owners of subsidiary plots) for each centner of meat, milk, etc. sold to the state.

Our newspaper has already written about the need to create a mixed feed industry concern or association in Ukraine to remove this industry from under the wardship of the State Committee on Cereal Products. We will reiterate some of what we have already said: we have the ability to establish a well-organized industry. Ukraine has a rather large network of mixed feed enterprises: state, interfarm, and intrafarm mixed feed plants; shops for the production of protein and vitamin supplements and premixes; enterprises that manufacture amino acids and feed yeasts, etc. Subordinated to various departments, they are doing poorly and failing to yield the returns they should. In the hands of a single owner and with state support, they would soon begin to function properly.

We apologize to the reader for boring him with numbers, but we believe that before paying millions of dollars for grain to foreign farmers, we must first make an accurate count of our own resources. Thus to meet the demand of the population of Ukraine for livestock products, we need close to 26 million metric tons of grain for forage. If we switch to feeding our livestock mixed feeds made according to today's recipes, we will require 7-8 million metric tons less of grain. And if in the near future we lower the proportion of grain in mixed feeds to 45 percent, as most developed countries have done, we will reduce the need for grain by an additional 6 million metric tons. This is the way out of the hole into which we are losing our grain, and we need to get rid of it.

We can find plenty of raw materials to serve as supplements in mixed feeds. Let us take a good look at how many useful things are discarded by the processing enterprises. Quite a few farmers have proposed: why not pass a law or issue a government decision that would compel processing enterprises to process their production wastes to a state in which they could be used by the mixed feed industry? And apply sanctions for failure to comply. These raw materials should be sold at production cost plus an added small percentage to pay for expansion of production and maintenance of operations at the proper level. We believe that such proposals are sound. The state must have a policy on this, because it is a matter of conserving grain, eliminating wastefulness, and ultimately protecting the environment. If this

approach is taken, the production cost of mixed feeds will begin to drop as the proportion of its most expensive ingredient, grain, is decreased.

Let us not reach for the sky and dream of matching the level of forage grain [furazhne zerno] utilization attained by Holland; we would do well to attain at least the average European level. That alone would enable us to export grain. If we grow at least as much as in 1986-90 (a yield of between 48 and 49 metric tons per year) and utilize it carefully, we will be able to sell 10-15 million metric tons at the very least. The amount of hard currency earned from these sales would be enough to purchase chemical agents to protect plants, to develop our processing industry, to modernize its facilities, etc. That is the thread that we need to follow in order to untangle the tight knot of our grain problem. If we fail to do this, and if the government continues to ignore the recommendations of scientists and specialists and continues to support the departmental ambitions of the State Committee on Cereal Products, leaving the status quo intact, then whatever system of farming we have—be it the collective and state farm system or the private farm system—and no matter how many signs are changed, there will be no change for the better.

We are accustomed to blame the farms for everything. They are expected to knock themselves out finding fertilizers, pesticides, grain forage, etc. This makes it easier for the local and republic authorities. At the same time, these authorities ask the collective farm chairman or the state farm director why he has not used the necessary amount of fertilizer, why he has not protected his crops from disease and pests, why he has not provided adequate feed for his livestock. The farmer is to blame.

In the civilized world, a farmer's most important task is growing grain and producing other goods. He does not waste his time on expediting, hustling, pleading. The responsibility for creating a service infrastructure is assumed by the state. Perhaps the time has come for us to learn from other people, especially now that we are instituting private farming. How is the independent farmer to solve the problem of providing his cattle with quality mixed feeds, if today even collective farms are unable to use grain efficiently for this purpose? Is it again a matter of everyone having to rely on himself alone?

Meanwhile, the State Committee on Cereal Products continues to maintain a tight hold on the mixed feed plants. Farm managers have a simple explanation for this: this agency bears no responsibility for the quality and deliveries of mixed feeds, monopolistically dictates terms, forces farms to pay exorbitant prices, and covers up its sins in processing—by dumping spoiled grain into mixed feeds and creating a hidden reserve of grain by increasing the amount of chalk or salt in mixed feed.

A discussion of grain would not be complete without some mention of the government's procurement policy. This policy is far from perfect. The State Committee on

Cereal Products still waits for the administrative wave to bring grain to its shores and absolutely refuses to understand that the time for such procurement methods has passed. The peasant, who has often been deceived by the state, refuses to be cheated again. Recall the sweet promises he has heard in the past: sell the state more grain and in exchange you will get combines, fertilizers, cars. They promised cheap mixed feeds. The peasant emptied his granary, but where are all the things he was to get in return? Even the most essential things are nowhere to be found.

It is up to the state to create the necessary conditions to give the peasant an incentive for selling the maximum amount of grain to the state and for buying inexpensive mixed feed. The peasant must be protected against all kinds of fraud, and he must be sure that if he meets the state halfway, he will not suffer due to inflationary cataclysms. This is another reason for distrust.

The grain problem is not a simple thing to solve. We need to be very clear about one thing. The collective and state farms and the peasants as a group are not to blame for the situation that has arisen. This situation is the result of the government's unsound policy. If the government has enough courage to face things squarely and approach these problems in the same way that the people approach them, we can expect a change in the next few years. If not, we will find ourselves in an even worse impasse.

Shipping Chief Interviewed on Tanker Fleet Plans

934E0206A Kiev NEZAVISIMOST in Russian
12 Feb 93 p 6

[Interview with P. Kudyukin, director of the Black Sea Steamship Company, by A. Pivnya; place and date not given: "P. Kudyukin: 'There Will Be a Tanker Fleet in Ukraine'"]

[Text] Last Wednesday a press conference was held by P. Kudyukin, director of the ChMP [Black Sea Steamship Company] who gave an interview the day before to A. Pivnya, a NEZAVISIMOST correspondent.

The Curriculum Vitae

I, Kudyukin, Pavel Viktorovich, was born in Odessa in 1946, at the first maternity hospital on Kulikovo Pole, on 12 July. Because of his work my father moved to Stanislav, presently Ivano-Frankovsk. Then we lived in Lvov and Lutsk. There I finished school—11 years. After that I in the Odessa Higher Maritime Engineering School (presently—the Maritime Academy). Began sailing, first as a mate and by the end of 1977 as master, until 1985. After that I worked on shore as director of the maritime shipping control system (creation of onshore radar communication facilities). I left that position after being appointed director of ChMP. I am married, have two children—a son and a daughter. My son graduated from the Lvov Medical Institute, the daughter is studying at the Nikolayevsk Shipbuilding Institute. My parents lived

for a long time in Lutsk, now they moved to another apartment returning to Odessa. I am their only son. As you see, I have a very ordinary biography.

[Pivnya] Pavel Viktorovich, what can you say about the article by S. Nikulin in our newspaper published on 30 January of this year?

[Kudyukin] Quite a lot. But if you will notice I am refraining from engaging in polemics with regard to various individuals. I am doing so intentionally and consciously. That is why I suggest beginning not with emotions, sympathies, and antipathies, but by shifting to what is today of the greatest importance. That is, the fate of the Black Sea Steamship Company. If there is a fleet there will be an independent Ukraine. That is the way that question stands.

[Pivnya] How do you suggest accomplishing this task?

[Kudyukin] We worked out and proposed a comprehensive shipbuilding program to the president and premier of our country. On the one hand, it is conditioned by the unsatisfactory state of the merchant fleet and that of the steamship company in general (at present the foreign debt of ChMP amounts to 220.8 million U.S. dollars), as well as by the need to develop tanker shipments. The building of tankers must assume priority. That will allow Ukraine to resolve its energy problem. Calculations indicated that in order to satisfy the minimum annual "petroleum" consumption demand it is necessary to have up to 40 million tonnes of petroleum. It will be necessary to build 40 - 45 tankers to transport such a volume. The president issued instructions to create a national program for the development of the tanker fleet and its infrastructure, as well as various installations. The concept involved in the further development of the steamship company was prepared to meet that program.

[Pivnya] Would you at least outline its essence?

[Kudyukin] It is planned to create the joint-stock "Blasco" Shipping Company based on the ChMP. It will apparently include large freight owners such as, for instance, the "Ukrtsement" Corporation, the Nikolayev Alumina Combine, large metallurgical enterprises of Dnepropetrovsk, Zaporozhye, and Krivoy Rog, as well as a number of shipbuilding enterprises. It is understandable that the shipbuilding program, and the issuance of stocks will require large financial investments. All the activity of the ChMP in fact presumes the participation of foreign partners in the joint-stock company.

Recently I returned from Germany where negotiations were conducted with the president of the state bank, which at one time financed the restoration of the country's industry in the postwar period. The result of these negotiations was an agreement to invest fully in the national shipbuilding program. A declaration of intention was signed with the president of the "Bremenvulkan" concern. We also agreed to cooperate in the field of ship repair and radio navigation. It is proposed to

establish a joint bank with the participation of the concern, the ChMP, and the Bank of Germany, as well as an insurance company, and a transportation - freight center. Agreement was also reached on the financing by the concern of the construction of an oil terminal at Yuzhnyy Port.

[Pivnya] What type of a joint-stock company will it be?

[Kudyukin] So far I can only say that the state will be the principal shareholder. Scientists, specialists, and practical workers both from Ukraine and from abroad are currently actively participating in the preparation of the documents.

[Pivnya] What is the time frame of the national ship-building program?

[Kudyukin] Its fulfillment, according to our estimates, will take from two to four years.

[Pivnya] Your opponents are frequently heard to say that on the whole you are striving to break up the ChMP fleet. How do you view that?

[Kudyukin] These assertions are completely groundless. Moreover, we got the fleet in far from the best condition. Many ships were sold practically dirt-cheap! Today the number of unemployed exceeds 2,500. There are almost 3,000 people on the waiting list for apartments! The ChMP structure contained a large repair and building trust. It was granted independence and declared to be a legal entity with all of the ensuing consequences. Even though its charter fund was 100 percent financed by ChMP, the trust can now turn in the opposite direction, and work and live far from the problems of the steamship company. Quite a few such enterprises have formed. Our task is to return them to the concern, to the structure, involve them in the sale of shares, without interfering with their independence, so that they would work for the ChMP. That is, not to break up, and separate, but on the contrary, to assemble a new structure and trust, a motor depot, an industrial combine which formerly incorporated the entire fleet, etc.

[Pivnya] How are you going to resolve problems of housing and unemployment?

[Kudyukin] A program is presently being started to provide housing. Of course it would have been better to work on it gradually, over the past five years, without creating a waiting list. Possibilities have been found to introduce 500 - 750 apartments every year with the aid of that repair and building trust. We also achieved the allocation of thousands of plots of 15 hundredth parts of a hectare in size each. We are anticipating "elimination" of the apartment problem in four years at the most. Much is also being done to liquidate unemployment as well. We believe that with the development of the steamship company, with the selling of shares, we will need many more people than previously assumed.

[Pivnya] In your opinion what is the commercial interest, let us say, of the "Bremenvulkan" concern, in investing in your programs?

[Kudyukin] First of all, the distribution of orders among the "Bremenvulkan" shipyards will make it possible to load them with work. Secondly, in the future they hope to develop their technology in Ukrainian shipyards. Finally, it is simply commercially advantageous—to create a joint bank and insurance company, and build an oil terminal at Yuzhnyy. In commerce, just as elsewhere, everything is based on mutual advantage.

[Pivnya] A few words, please, about mutual relations with steamship companies in Russia?

[Kudyukin] Since I have been president of the ChMP, I can honestly state, that I have not had any problems, even though there were no close business contacts with Russian companies. I think that in the future we are facing fruitful and long-term cooperation—after all around 50 percent of Russian cargo flows through Ukrainian ports. You must understand that I am expressing a personal opinion, we cannot refuse transit freight shipments to any degree. If we are to raise tariffs on transit shipments, to please entrepreneurship, that will lead to a situation where the freight owners will find other ports and will get by without us. That is why in my view, it is necessary to load up not the tariff rates but the ports.

[Pivnya] Pavel Viktorovich! It is known that at the end of January, a "historical," as it is called, session of the Odessa Council adopted a decision concerning creation of a (free) economic zone in the city. How does the ChMP regard that, and what is your personal view?

[Kudyukin] It is a positive one. We are among the initiators of a free economic zone in Odessa. I am myself a supporter of the SEZ [Free Economic Zone]. By the way, I follow the material published in your newspaper on this topic and consider it very important and necessary. At present the question concerning granting of the status of such a zone will be considered by the Cabinet of Ministers and the parliament of the republic. We are for granting Odessa the status of a city with an open economy, as well as for the creation of different types of legal conditions on the territory of the SEZ, including a regime of free trade and entrepreneurship, the regime of a technological pool, a free port, a tourist recreational zone, etc. The organs of economic development and management of each of the different types of zones must consist of their administrations, created by subjects of economic activity.

[Pivnya] It has been heard on occasion that at present there is total "stagnation" at the ChMP, people are demoralized, departing, etc. How would you describe the morale and psychological situation at the steamship company?

[Kudyukin] I can say with full authority that the people acquired faith in the program, and see themselves and their place in its fulfillment. The steamship company is a highly professional enterprise with high-class specialists working here.

BELARUS

Spring Agriculture Work Faces Shortages, Constraints

Deputy Chairman Bokach Discusses Shortages, Disruptions

934K03904 Minsk BELRUSSKAYA NIVA in Russian
13 Feb 93 pp 1-2

[Article by A. Bokach: "Eliminate the Lag, Take Situation in Hand"]

[Text]

About Urgent Government Measures To Prepare for Spring Field Operations

The unprecedented rise in prices for energy sources, the breakup of economic ties, and the unstable political situation in society placed the agrarian sector in an extremely difficult position. Because of the shortage of fuel the delivery of organic fertilizers to the fields has stopped, due to the absence of funds the farms are unable to acquire equipment, mineral fertilizers, or spare parts. As a result dangerous premises are forming for the disruption of spring sowing and, consequently, the undermining of the very bases of agricultural production.

The complex situation demanded that the government of the republic initiate extraordinary decisive measures in order to prevent the collapse of the sowing campaign and its very severe consequences. The Presidium of the Council of Ministers which met this week, dealt with the question concerning urgent measures aimed at preparation of farms of the republic for 1993 spring field operations and their conduct in an organized fashion. A series of energetic measures of an organizational-practical nature were taken which, we are hoping, will be able to animate the process of preparations for spring sowing, ensuring its timely and qualitative conduct. A. I. Bokach, deputy chairman of the Council of Ministers of the Republic of Belarus, speaks in greater detail about this on the pages of BELORUSSKAYA NIVA.

As difficult as the past year has been, as sick as the agro-business complex has become, the countryside was still able to survive and prevail. Of course, there have been losses, particularly in the animal husbandry branch. They could undoubtedly have become more perceptible if during the period of spring sowing muddle and chaos, confusion and sloppiness had gained an upper hand over the common sense of the peasant. Cadres in the countryside at that time were able to take control of the situation, ensuring timely and qualitative conduct of field operations thereby blocking a wholesale decline of the harvest. It is specifically that grain harvested in the republic with such difficulty in a very dry year which is our salvation today.

Under the conditions that formed the provision of the population with food is a key task having not only a vividly expressed farming and economic but also a

sociopolitical character. The government cannot ignore this. It is sufficient to recall the complex "Zerno," "Sakhar," "Rastitelnoye Maslo" and a number of other urgent measures incorporated in the government economic program for 1993. With respect to vitally important positions they are oriented toward the newest technologies, enterprise, and prudence of rural cadres and processors.

But no matter how attractive the calculations, they are not worth a cent without concrete action. Particularly in such a decisive sector as preparation and conduct of spring sowing, which in essence lays the foundation for the harvest.

Zealous managers are not losing time in getting started: they are preparing seeds, equipment, and delivering organic fertilizer to the fields. If the situation is evaluated as a whole, however, it is characterized as critical. Primarily due to the shortage of fuel and lubricants at the farms, along with mineral fertilizers, financing, and other material-technical resources.

The Presidium of The Council of Ministers Decried as Follows:

"Belneftekhim (A. Mordashov) and Ministry of Agriculture and Food (N. Yermakov) within a two-day period are to adjust the schedules for delivery of petroleum products for the agro-business complex with unconditional makeup in February of delivery shortages that occurred in January 1993. They are to ensure the allocation of 245,000 tonnes of motor vehicle gasoline and 415,000 tonnes of diesel fuel for agricultural enterprises in the first quarter, and 250,000 and 400,000 tonnes, correspondingly, in the second quarter.

We have never worked as poorly as we did this winter with the procurement and delivery of organic fertilizers. As of 5 February only 28.7 million tonnes of them were delivered, or 47 percent of the required amount. It is still necessary to deliver 31 million tonnes of organic fertilizers and bring in 4.4 million tonnes of peat meal from where it is harvested. The time remaining for conduct of these operations, however, particularly in the southern regions of the republic, is already measured not in months but in days. The task of oblast executive committees and rayon executive committees consists of organizing double-shift operation, inspiring the people, engaging all of the loading and unloading facilities to ensure daily delivery of not less than 0.8 - 0.9 million tonnes of fertilizers.

The principal reason for the disruption of these operations lies primarily in the highly unsatisfactory delivery of fuel and lubricants to agriculture. Here are some examples. The Ministry of Agriculture and Food and Belneftekhim worked out schedules for delivery of gasoline and fuel to the countryside to ensure conduct of urgent agricultural operations and creation of required reserves for spring sowing. The actual fulfillment of the

schedule for needs of the countryside, however, amounted to only 57 percent in the delivery of diesel fuel in January.

At the same time it is necessary to interdict even small-scale utilization of petroleum products for other than designated purposes, while introducing a regime of strictest conservation of fuel and lubricants throughout. It is necessary not to permit cases such as those when heavy transport equipment, particularly, large cargo carriers, belonging to kolkhozes and sovkhozes, and "Selkhozkhim" associations, was utilized for transportation of mineral fertilizers to Poland. Oblast executive committees and appropriate services of the Ministry of Agriculture and Food must utilize their power to the fullest degree in that regard.

The Presidium of The Council of Ministers Decried as Follows:

"Belneftekhim is to carry out priority delivery of mineral fertilizers to the farms allocated for the first six months before 15 May for spring sowing.

"The Ministry of Resources (V. Shepel), Belneftekhim (A. Mordashov), the State Committee for Economics and Planning (A. Borshch, A. Shalabadinskiy) are to immediately resolve questions concerning provision of chemical enterprises with raw and other material and technical resources."

"Belneftekhim (A. Loyko) and Ministry of Agriculture and Food (A. Starovoytov) to establish a schedule within a ten-day period for delivery of mineral fertilizers for agriculture, aiming to deliver not less than 250,000 tonnes of nitrogenous and 45,000 tonnes of phosphorous fertilizers by the indicated deadline.

"The Ministry of Agriculture and Food, together with oblast executive committees are to resolve on an urgent basis the question concerning delivery of 100,000 tonnes of nitrogenous and 30,000 tonnes of phosphorous fertilizers from enterprises of the Russian Federation and other states for summer sowing, in accordance with intergovernmental agreements which were concluded as well as through direct ties."

The matter of supplying farms with mineral fertilizers and means for protection of plants must be regarded as extremely important among other harvest-producing factors. With an overall requirement of 1.6 million tonnes of mineral fertilizers for spring sowing thus far we have 604,000 tonnes, or 38 percent. The principal limiting factor here is nitrogen and phosphorus. Some 38 percent of the need for nitrogenous fertilizers and 15 percent for phosphorous fertilizers is satisfied by local production and then only with their priority delivery.

Even though the Grodno "Azot" Association is fulfilling its assignment for delivery of mineral fertilizers to the farms, part of the products still goes outside Belarus. It would be proper if the enterprise collective in these

months would work to satisfy the requirements of spring sowing and deliver its entire output to kolkhozes and sovkhozes of their republic.

The situation is complicated with production of phosphorous fertilizers at the Gomel Chemical Plant, which has been almost totally idle since the end of last year due to a lack of raw material.

In the situation which has formed Belneftekhim, the Ministry of Resources, the State Committee for Economic Planning, and other interested organs must initiate urgent measures in order to assure rhythmic operation of enterprises in the production of mineral fertilizers. Under these conditions it is necessary to clearly determine fertilizer delivery volumes by all plants, literally in ten-day increments, with an eye to completing their shipment on the basis of the funds for the first six months by not later than 15 May. Everything else, including the means of plant protection, must be acquired through deliveries from outside of the republic, primarily from Russia.

Questions concerning provision of fuel, mineral fertilizers, and pesticides depend directly on clear-cut and efficient work by financial organs. Quite a lot is being done in that regard by the National Bank, but still there is frequent red tape, sluggishness, and undervaluation of the acuteness of the problem.

If one is to take a closer look there appears a clear need for radical review of the form of influence exerted on agricultural producers through economic levers. Such measures have already been worked out and will be reflected in a government decree. This mainly applies to price formation and certain other factors but we are speaking primarily about changing the methods of budgetary support of agriculture. The wholesale rise in prices for energy resources, equipment and services placed agricultural producers in an extremely difficult position. In this connection it is necessary to use compensational markups that are paid out today to agricultural producers not in general for sold products, but also for expansion in the volume of their production and principal resources must be sold at special prices on the basis of state orders.

The Presidium of The Council of Ministers Decried as Follows:

"To request that the National Bank appropriate the required amount of resources for Agroprombank for crediting measures connected with the conduct of spring sowing. To recommend that Agroprombank establish strict control over agricultural establishments in the utilization of borrowed funds for the designated purpose;

"Study the question concerning priority transfer of financial means for settlement of debts produced by delivery of

mineral fertilizers and other material and technical supplies by enterprises of the Russian Federation, Kazakhstan, Ukraine, and Lithuania to the republic for agricultural needs, and also open lines of credit for prompt settlement of accounts for these resources in 1993."

"Ministry of Finance (S. Yanchuk), the State committee for Economics and Planning (A. Borshch), along with the National Bank (S. Bogdankevich) are to allocate eight billion for purchase of mineral fertilizers and means of plant protection out of the state reserve fund of noncash 'Russian rubles.'"

The matter of seeds should be mentioned separately. That position today is almost totally dependent on agricultural organs. Mismanagement and procrastination exists in this area as well. There is a shortfall of 1,600 tonnes of leguminous seeds (in all oblasts), or 4.5 percent of the requirement as well as around 420 tonnes of onion sets, or 35 percent of the requirement.

The situation is particularly acute with the supply of corn seeds. If this is not resolved in a concrete manner it is possible to be left without silage while the need for corn seeds today amounts to a mere nine percent.

In this situation instead of seeking a solution to the problem and making concrete proposals, the Ministry of Agriculture and Food is unjustifiably delaying that.

A few days ago we returned from the Republic of Moldova where we went to obtain corn seeds. It will be necessary to trade several tens of thousands of tonnes of combined fodder for them, but this will have to be done. We are also working on the possibility of acquiring corn seeds outside of the CIS.

The Presidium of The Council of Ministers Decried as Follows:

"A. Starovoytov and N. Yakushev are immediately to resolve questions concerning delivery of the lacking amount of corn seeds to the republic and report to the Council of Ministers within a two-week period on the measures that were taken."

The picture with regard to the seeds is highly diverse. There are only 70 percent of the required amount of cereal and leguminous seeds (46 percent in Mogilev). Some 25 percent of the overall volume of flax seeds are nongrade (50 percent in Mogilev, 44 percent in Brest) along with 34 percent of perennial grass seeds (44 percent in Brest, 48 percent in Gomel, and 35 percent in Mogilev). A total of 110 farms have no certified flax seeds, and 290 kolkhozes and sovkhoses have none for perennial grasses. Some individual farms are still not supplied with certain types of seeds available in sufficient quantities within the republic.

Another important problem is preparedness of the machine and tractor pool. As paradoxical as it may sound the Brest oblast, which is always the first to start sowing, is lagging the most this year. Sowing and soil cultivating machines in Minsk and Mogilev oblasts are

also preparing in a poor manner. The situation is even worse in a number of rayons. The Zhabinkov, Orshanskiy, Dobrush, Tolochin, Ushachi, Ostrovets, Berezinskiy, Borisov, Khotimsk, Gluskiy, Chauskiy, and a number of other rayons "distinguished" themselves in a negative way with regard to practically all of the indices.

It is necessary to do everything possible in order to fully prepare all of the equipment, devoting particular attention to the repair of wide-cut combination units.

As commonly known a third of spring sowing will be carried out on reclaimed land areas. Unfortunately many heads of farms and rayons are not showing appropriate concern for the maintenance of intrafarm drainage systems. As a result these systems are inoperable over large areas, drainage is not working, which leads to massive water stagnation on the fields. In the remaining time it is necessary to ensure the establishment of proper order on these lands so as to create favorable conditions for their efficient utilization.

During the busiest time of the spring sowing period everything will depend on material and technical supply and organized work by the people. It is important for all machine operators, specialists, and farm heads to be permeated with the feeling of responsibility for the fate of the future harvest. It is necessary to go to the people, explain the situation, organize the work, the food supply and provide stimulation, both material and moral. It is necessary to utilize all forms of work with people that have proven themselves well here.

A part of the farms and rayons are experiencing a shortage of machine operators. In past years we reverted to recruiting labor in cities and industrial centers of the republic. In the current difficult situation it will be necessary to do that.

The Presidium of The Council of Ministers Decried as Follows:

"Deem the participation of workers and employees of enterprises, establishments and organizations in the forthcoming agricultural operations as feasible along with that of trainees of rural vocational schools if necessary, as well as the allocation of means of transportation with drivers for these operations in the order and on the conditions that were in effect in 1992."

There is every reason to assume that the measures undertaken by the government of the republic will have a favorable effect on preparations for spring field operations and on their timely, and what is most important, their qualitative conduct. It is necessary not to procrastinate at the local level either but, rolling up one's sleeves, go to work right away. It is possible to eliminate the lag and take the situation in hand, creating a reliable basis for the future harvest.

Seed Procurement Problems Discussed

934K0390B Minsk BELORUSSKAYA NIVA in Russian 13 Feb 93 p 1

[Unattributed article: "No Pain, No Gain"]

[Text]

Current Survey of Ministry of Agriculture and Food of Belarus Republic

Data on Seed Quality of Summer Cereal and Leguminous Crops, Perennial Grasses, and Flax in Kolkhozes and State Farms as of 1 February 1993 (In percent of plan)

	Brest	Vitebsk	Gomel	Grodno	Minsk	Mogilev
Availability of certified summer cereal and leguminous seeds	98	100	98	99	98	97
Including first-class seeds	65	63	65	76	61	44
Flax seeds tested	96	99	—	100	86	73
Including certified seeds	55	78	—	90	56	37
Perennial grass seeds tested	98	96	96	100	92	98
Including certified seeds	54	71	50	73	61	58

Very little time is left before sowing starts. Normally one should already forget about the seeds since there are other fresh concerns now. In most of the cases that is the way it is. There are some lapses with regard to seed supply on the eve of sowing however!

Overall figures of the summary appear to be pacifying, particularly if they are compared with those of last year. How could it be otherwise—testing is nearing completion, the specific share of certified, first-class seeds is higher. This, however, is only the average.

Primary concern is caused by a decrease in new stocks. For the total group of cereals and leguminous crops stocking occurred at the expense of fodder crops—legumes and oats, with an increase in the share of barley. A much smaller amount of flax seeds and perennial grass seeds were stocked at interfarm enterprises and summer mustard family seeds at interfarm enterprises, as well as summer mustard family seeds in both kolkhozes, state farms, and at interfarm enterprises. As a result in the republic there turned out to be much less certified seeds of numerous crops than in previous years.

The operation of seed-growing enterprises is steadily deteriorating. The developed system of seed-growing in many rayons was destroyed as a result the seed-growing enterprises prepared 15,000 tonnes less seeds for rank-and-file farms while sales diminished by almost a third as compared with early February of last year.

The selection of stock seeds is proceeding poorly. Experimental bases sold only 5,000 tonnes, less than a third of what is available, and then out of that amount half of the sales were to Gomel and Vitebsk oblasts. It is characteristic that both sides are guilty in this case. At the same time, the guilt of kolkhozes and state farms is for the most part a passive one—they have no money for purchases, whereas that of the experimental bases in a number of cases—it is of the most direct kind. The

Gomel Oblast Agriculture and Food Committee thought about the sale of stock seeds back in October: the prices were restricted, the bases were allocated eight million rubles in partial compensation of the shortage of monetary funds. As a result out of the 2,400 tonnes 1,300 have already been sold. In Minsk Oblast, however, out of 3,500 tonnes only 770 tonnes were sold. The price in this case is too high—up to 50,000 rubles for a tonne of summer cereal seeds, for instance, at the "Zhodino" experimental base. As a result a total of only 15,700 tonnes of barley has been sold in January. By way of a comparison the "Uvarovich" Experimental Base in Gomel Oblast sold 507 tonnes of barley and 62 tonnes of oats. The price even on seeds, marketed without a schedule of fixed orders or allocations, to farms within the oblast did not exceed 25,000 while those sold outside the oblast went for 35,000 rubles per tonne.

Here is another peculiarity. The question with the stocking of corn seeds is being resolved with great difficulty. This means that particular value is being acquired by seeds of other fodder crops, primarily of the leguminous ones. During the last sowing season in Mogilev Oblast 1,900 tonnes of peas, maple peas, lupine, and vetch were sown, out of which 1,400 were for grain. In addition to that 1,400 tonnes were sown in the form of leguminous mix, i.e. a total of 3,300 tonnes of legume seeds were needed for all purposes. At present altogether there are 1,200 tonnes available and even less of those suitable for sowing—a total of only around 900 tonnes.

For objective reasons, of course, numerous farms were compelled to discontinue sowing leguminous crops. But many do not have them because they neither cultivated any nor showed concern to acquire them. In Dribinsk Rayon there are only eight tonnes of legume seeds available for the entire rayon. The "Belarus" and "Domany" kolkhozes do not have a single centner, nor do the "Pervomayskiy" and "Korovchino" sovkhozes each of which contain 4,000 to 5,000 hectares of arable

land. In Mogilev Rayon, out of 28 farms only 12 have legume seeds and in four of them they are nongrade.

The situation is not much better with perennial grass seeds. At interfarm enterprises their procurement diminished by a third while kolkhozes and state farms are not in a hurry to process their own seeds, testing for sowing qualities has not been completed, and out of those tested every third tonne cannot be used for sowing. As a result slightly over 500 of the farms are adequately supplied with grass seeds, around 400 do not have certified seeds at all. The largest number of such kolkhozes and state farms are located in Mogilev, Minsk, and Gomel oblasts—from 69 to 110 in each. In the Rechitskiy, Svetlogorsk, Berezovskiy, Zhabinkovskiy, Uzdenskiy, and Bobruysk rayons two thirds of the tested grass seeds proved to be nongrade.

Only around 400 of the 643 flax-growing farms are supplied with suitable seeds while 110 farms do not have a single centner of certified seeds. In Minsk Oblast there are 38 of them and in the Vitebsk Oblast—31. Mogilev, Chausskiy, and Logoysk rayons were able to bring only every third tonne of flax seeds up to sowing quality. In the Belynichi Rayon 44 out of the 48 tonnes that were tested are not ready for sowing, 19 of them due to their diminished germinating power.

Before it is too late appropriate measures should be launched since seeds, after all, constitute the basis not only of the plant-growing branch, but of all agricultural production. To destroy the base means to destroy the entire production. Negligent managers, however, do not wish to recall a Belarus saying which states that if there is no pain there is no gain. The marketplace will undoubtedly teach them to struggle for their interests in a sober and thoughtful manner.

MOLDOVA

Current Foreign Trade Data Given

93P50096A Moscow MOSCOW NEWS in English
No 8, 18 Feb 93 p 7

[Unattributed article: "Moldova's Exports Doubled"]

[Text] The first in terms of volume of export-import operations is Romania, then comes Bulgaria followed by Germany, Turkey and Poland. The US placed sixth with a rather unfavourable balance of trade for Moldova: US imports exceed exports ten times. The republic has an unfavourable balance also in trade with Bulgaria, the Netherlands, Italy, Austria and former Czechoslovakia. But on the whole, for the first time in the history of Moldova, exports beyond the rouble zone exceeded imports by 155 million dollars (data for January-November 1992).

At the beginning of 1993 the number of export-import companies in the republic totalled 2,456, that is four times more than a year ago. Out of 172 registered joint ventures 86 have started economic activity. The total authorized capital of all joint ventures amounts to 75.1 million roubles: a 34.4 percent share is made up of foreign partners. The share of joint ventures in the republics' total industrial output is about one percent.

The wholesale prices in industry have gone up 20.2 times (in the power industry - 33.75, ferrous metallurgy 51.34, the building materials industry 35.59 and light industry 13.45 times).

Average monthly wages in Moldova's industry amounted to 7,329 roubles in November 1992. The highest level was established in tobacco, power, wine-making, meat and dairy and light industries.

Based on the information of Logos-press.

ESTONIA

Guidelines For Determining Intoxication Enacted

Text of Decree and Guidelines

934K0060A Tallinn RAHVA HAAL in Estonian
9 Dec 92 p 4

[Text of Government Decree and Guidelines for Determining Intoxication, with Selected Addenda]

[Text] Government DECREE Number 326 of the Republic of Estonia regarding

Ratification of "Guidelines for Determining Intoxication"

Tallinn, Toompea, November 27, 1992

The Government of the Republic decrees:

1. To ratify the "Guidelines for Determining Intoxication" attached hereto.

2. To enact that the procedure for determining a person's intoxication, as ratified by this decree, also be extended to persons not specified in these guidelines, if such determination of intoxication is carried out at the request of a public official.

3. To void Government Decree Number 29 of the Republic, dated January 27, 1992, regarding "Charging for Medical Services Rendered to Intoxicated Persons" (RIIGI TEATAJA [State Bulletin] 1992, Number 4/5, Article 73).

[Signed] Prime Minister M. LAAR
Social Minister M. LAURISTIN
State Secretary U. KAEVATS

1. In accordance with legal provisions of the Civil Violations Code, the following will be subject to civil liability:

1) intoxicated operator of a vessel for inland water transportation, including small ships (Civil Violations Code, Paragraph 96);

2) intoxicated driver of a motorized vehicle, including tractors or other drivable equipment (Civil Violations Code, Paragraph 96);

3) aircraft operator who has used alcohol, narcotics, psychotropic or psychotoxic substances (Civil Violations Code, Paragraph 97);

4) intoxicated pedestrian, bicyclist, or driver of an animal-drawn vehicle or moped (Civil Violations Code, Paragraph 105).

5) driver of a vehicle showing obvious signs of intoxication, who is trying to avoid testing to determine his or her intoxication (Civil Violations Code, Paragraph 98);

6) driver of a motorized vehicle, who has used alcohol immediately after a traffic accident, on the accident site, before the details of the accident have been established. (Civil Violations Code, Paragraph 104).

2. According to Traffic Regulations in force, a vehicle should not be operated by a person under the influence of alcohol, narcotic or psychotoxic substances, and also in a state of impairment or fatigue that interferes with the proper perception of traffic conditions, and with strict adherence to the requirements of Traffic Regulations.

3. A person's state of intoxication (drunkenness), caused by the use of alcohol, or some narcotic, psychotoxic or psychotropic substances, as well as impairment of the motorist, will be determined according to procedures set forth in these guidelines.

4. Impairment, in these guidelines, refers to any evidence found on a driver that is indicative of having used alcohol, narcotics, or other psychotoxic or psychotropic substances, without any obvious (clinical) signs of intoxication, and also to the presence or residual phenomena from the use of alcohol, narcotics or other psychotoxic substances.

5. As a rule, a person's intoxication or impairment posing a traffic hazard should be determined within two hours from the moment the person was detained, and test results documented according to procedures set forth in these guidelines.

6. Based on these guidelines, a person's intoxication will be determined as follows:

1) by a public official, according to the procedure outlined in Addenda 1 and 2 of these guidelines;

2) as part of a medical examination, if other medical indicators are present, according to the procedure outlined in Addendum 3 of these guidelines;

3) by a medical evaluation to determine intoxication, according to the procedure outlined in Addenda 4 to 8 of these guidelines.

7. The cost of a medical evaluation for intoxication done at a treatment facility will be borne by the agency making the referral (Addendum 5 of these guidelines), based on billing submitted by the treatment facility. If the person's intoxication is confirmed, the agency originating the referral will collect the cost of the evaluation from the person examined.

Addendum 1

Determination Of Intoxication By A Public Official

1. The right to determine intoxication in a person operating a motorized vehicle, rests with the traffic police, criminal police, field police or members of the police security service.

2. The right to determine intoxication in a person operating a tractor or other drivable equipment also

extends, in addition to those specified in Item 1 of this Addendum, to the state inspector of Agricultural Equipment Inspection.

3. The right to determine intoxication in a person operating a vessel for inland water transportation, including small ships, also extends, in addition to those specified in Item 1 of this Addendum, to the state inspector of Marine Inspection.

4. The right to determine intoxication in a person operating an aircraft also extends, in addition to those specified in Item 1 of this Addendum, to the specialist in charge, the specialist on duty, and persons in charge of the airport and the airfield.

5. To determine intoxication, a public official will use chemical means of detection (henceforth indicators) or electronic measuring devices.

6. Before using an indicator or an electronic measuring device, the official will check it out for its suitability and proper functioning.

7. At least one witness should be present when intoxication is being determined, or when the person being investigated refuses to submit to testing. A report about test results, or refusal to submit to testing, should be prepared by the public official according to the sample format shown in Addendum 2 of the Guidelines for Determining Intoxication.

8. If the person being investigated does not consent to intoxication testing by a public official, the official will have to take such a person for a medical evaluation for intoxication (see Guidelines for Determining Intoxication, Addendum 4).

9. If the person being investigated demands medical testing, but it is not possible to take him or her to a treatment facility, the official's report should give a detailed account of all signs of intoxication, and the reasons why that person could not be taken to a treatment facility. In such a case, there should be at least two witnesses present when intoxication is being determined. Intoxication determined by a public official can be disputed in court.

Addendum 3

Determining Intoxication By A Medical Examination, With Other Medical Indications Present

1. In case a person operating a vehicle is taken to a treatment facility for emergency care, the medical record should include intoxication or the absence of it (in the case of the former, the clinical findings indicating intoxication should be entered). If the person's condition is serious, a test of biological fluids will be sufficient.

2. In diagnosing intoxication, the clinical findings listed should include the smell of alcohol, if present, any impairment of balance, coordination or articulation, the possible presence of nystagmus, etc.

3. In case determination is limited to chemical testing of biological fluids, an ethyl alcohol concentration in the blood of 0.50 parts per thousand (10.7 millimoles per liter) or more, determined colorimetrically or by some other method, constitutes intoxication. Positive laboratory results obtained from the qualitative determination of narcotic or other psychotoxic substances will be evaluated in conjunction with clinical findings only.

4. If results of an examination based on medical indications are in conflict with those of the medical evaluation to determine intoxication (Guidelines for Determining Intoxication, Addendum 4), the latter shall prevail.

5. A treatment facility will release information about the motorist's intoxication or the absence of it, on the letterhead of the facility, to the person being evaluated, or upon requests received from investigative or examining agencies, or from lawyers or courts.

Basic Requirements For A Medical Evaluation To Determine Intoxication

1. Medical evaluations to determine intoxication are done around the clock at one or several city or district treatment facilities licensed by the state.

2. Medical evaluations for intoxication are done on the premises of a treatment facility.

3. Medical evaluations for intoxication, based on an official letter of referral (Guidelines for Determining Intoxication, Addendum 5), are carried out on behalf of the treatment facility by a physician who, throughout the evaluation, will be acting as a public official with all the rights and responsibilities deriving therefrom.

4. Results of tests made in the course of the evaluation, along with clinical findings, will be entered in the evaluation report by the physician, who will then render an opinion based on the same (Guidelines for Determining Intoxication, Addenda 6 and 7).

5. The clinical evaluation for intoxication, done by a physician, can be replaced by a study of biological fluids done by gas chromatography. The clinical definition of intoxication starts with an ethyl alcohol concentration in the blood of 0.50 parts per thousand (10.7 millimoles per liter) and goes up from there. The report will be formulated according to Guidelines for Determining Intoxication, Addendum 8. Positive results obtained from determining the presence of narcotics or other psychotoxic substances will be evaluated in conjunction with clinical findings only.

6. A public official is authorized:

1) to take individuals to a treatment facility for an evaluation in accordance with Addendum 1, Item 8 of these guidelines;

2) to receive the original of the evaluation report, or the preliminary opinion of the expert (in case additional, time consuming studies are required) immediately after the evaluation is completed;

3) to submit a motivated demand for a repeat evaluation to be done by a different expert at the same treatment facility, or take the person being investigated, at his discretion, to a different treatment facility for another evaluation;

4) to be present at the evaluation procedures, with the consent of the expert;

5) to submit written protests regarding evaluation procedures or conclusions drawn.

7. The expert has the authority:

1) to independently choose the scientific methodology (including laboratory procedures) on the basis of which to examine the person brought in for an evaluation. The methodology used, and the results obtained should be described in the evaluation report;

2) to act as an autonomous public official, whose opinion is based on the condition of the person evaluated, and his or her own knowledge as an expert. Giving a wrong opinion deliberately, or falsifying the results of the evaluation, will be punishable;

3) to decide who can stay in the examination room during the evaluation.

8. If the person being investigated refuses to submit to the evaluation (with the exception of a blood test), such refusal will have to be recorded in the evaluation report.

9. The person being investigated has the right:

1) to refuse a blood test;

2) to have access to the findings of the evaluation, and to get a copy of the evaluation report immediately after the evaluation is completed.

3) to immediately submit a written protest against the findings of the evaluation, documenting the reasoning for such a protest and counter-arguments to the findings of the evaluation.

10. The evaluation report will be made out in triplicate, the first of which is given to the public official, the second retained by the treatment facility for five years, and the third given to the person being investigated, at his or her request. Each evaluation for intoxication will be entered in a registry, which will be saved at the treatment facility for 25 years.

Any disputes arising from determining intoxication will be settled in court.

Addendum 7

Recommended Formulations For Evaluation Findings

1. Sober.

2. Has used alcohol, narcotics, psychotoxic substances. No clinical indications of intoxication. Not allowed to operate a vehicle.

3. Has used alcohol, narcotics, psychotoxic and psychotropic substances. Not allowed to operate aircraft.

4. Intoxication due to alcohol, narcotic or psychotoxic substances. Not allowed to operate a vehicle. 5. Residual signs of intoxication caused by alcohol, narcotic or psychotoxic substances. Not allowed to operate a vehicle.

Remarks:

1. If laboratory tests and clinical findings are in conflict, the clinical findings will prevail.

2. Conditions described in items 2, 3 and 5 of the listing given here do not constitute intoxication but, for purposes of traffic, they are treated as impairments. Hence, operating a vehicle is not permitted.

3. In case intoxication is diagnosed, it is recommended that the substance causing it be identified. However, an expert's opinion could also be based on clinical data alone.

Guidelines Analyzed

934K0060B Tallinn RAHVA HAAL in Estonian
9 Dec 92 p 4

[Article by Tiit Põld: "Drunks Abound"]

[Text] What follows is a little glance at what inebriation is causing in the Republic of Estonia.

01, 02, 03

First we dialed 01 on the telephone and asked: Do intoxicated people bother them much during the day?

The answer was: "We get false alarm calls a few times a day. It is hard to tell if all of these callers are intoxicated."

On dialing 02, a vigorous male voice answered: "We get called out unnecessarily about 15 to 20 times over a 24-hour period. In the afternoon, when parents are not home yet, we are bothered with unnecessary calls from children, at night, the sick and the drunks start out."

03 did not report as many false alarm calls as the police did, but said that they got their share of about 10 over a 24-hour period. For most of these, the person calling thought the plea for help was justified, even though the doctor who arrived saw it as a false alarm. Those calls where the caller was intoxicated or had a phony complaint were also much too numerous.

Rescue Service

Aili Ilves, senior engineer and computer programmer for the Tallinn rescue service, who handles statistical data for the whole republic said:

"There have been 4,000 incidents of fire in Estonia over an 11-month period. The Rescue Service does not keep a

separate record of those due to intoxication. But serious cases of fire, resulting in death, are usually traced to intoxication.

"In the evening of December 7, for example, at eight o'clock, firefighters went to put out an apartment fire at Akadeemia Tee 22-61 in Tallinn. The owner of the apartment was intoxicated and suffered from smoke inhalation, but came out of it alive.

"In Tallinn, between January 1 and November 29, we have responded to 3,379 calls, 2,562 of them for fires. Out of this number, one third were false alarm calls."

Traffic Safety Office

According to Ilmar Tuberik, senior clerk of administrative services at the Police Department, 9,130 drunk drivers were picked up in Estonia over the 11-month period this year, compared to 7,852 last year.

Vello Kaldmae, head of information department at the Traffic Safety Office, said: "During the 11-month period last year, drunk drivers caused 384 traffic accidents (this year 293), while 106 (80) people were killed and 502 (370) injured. It is only at first glance that the proportion of drunk drivers on the road seems to have diminished. We have a different way of looking at things.

"And namely—actually the proportion of drunk drives in traffic accidents has gone up. If last year, their share in all the traffic accidents was 29 percent, then this year it has gone up to 37.2. The number of deaths attributable to them is 31.2 and 40.4 percent respectively, and the proportion of injured 31.1 and 39 percent respectively. The greatest number of accidents in Estonia, due to drunk drivers, has been in Tallinn this year—46 (38 for the same time last year), and in eastern Virumaa—25 (16). However, it's the drivers of passenger cars, in particular, who abound all across the republic.

Ministry of the Interior

According to Heino Urvaste, chief police inspector at the State Information Bureau's analytical sector, 37,247 crimes have been committed in Estonia over an 11-month period this year. Out of last year's crimes discovered over the same period (i.e. criminal cases that have reached the court) 1,517 were committed in a drunken state, compared to this year's 1,551 crimes (an increase of 2.2 percent). Out of all the crimes discovered during the 11 months of 1991, 29.5 percent were committed in a drunken state, this year 26.5 percent.

Prosecutor's Office

Kaio Kask, deputy chief of the review board for preliminary investigations and examinations, said that the prosecutor's office is no longer keeping track of crime statistics. However, he did have some interesting information like that about the four stills for "strong stuff" that were discovered over the 11-month period of last year, while this year the number had gone up to seven, hence 75 percent more than last year. The crime with the

highest (90 percent) link to drinking is hooliganism, of course, but you can seldom find an apartment thief or a mafioso, who is drunk when settling accounts with his own kind.

Editors' Notes

934K0060C Tallinn RAHVA HAAL in Estonian
9 Dec 92 p 4

[Unattributed notes: "From the Editors"]

[Text] Due to space limitations, all addenda to the decree could not be published here.

Addendum 2 is a sample format for reporting on determining intoxication by means of indicators or electronic measuring devices.

Addendum 5 is a sample format for the letter of referral requesting a medical evaluation on intoxication.

Addendum 6 is a sample format for reporting the results of a medical evaluation.

Addendum 8 is a sample format for reporting the results of chemical testing done on biological fluids.

We believe that the decree and the full text of its addenda will be published in RIIGI TEATAJA [State Bulletin].

LATVIA

Minister On Russian Troop Activities

Russian Troop Violations

934K0146A Riga LATVIJAS JAUNATNE in Latvian
13 Jan 93 p 2

[Report by Latvian Deputy Minister of Defense V. Pavlovskis: "On Violations By Russian Forces"]

[Text] The Latvian Ministry of Defense has ascertained many facts attesting to illegal activities on the part of Russian forces in Latvia in 1992: the illegal transport into Latvia of replacement troops; unsanctioned movement of forces; violation of regulations on the use of airspace; and noncompliance with sea and harbor shipping regulations.

From 1 Feb to 31 Dec 1992, the following violations were confirmed:

- 54 incidents of illegal transport into Latvia of replacement troops, during which time 2,630 military persons entered the country.
- 392 violations of regulations on the use of airspace and nine air strikes with bombing over the Zvarde bombing range.
- 38 violations of sea [and] harbor shipping regulations (unsanctioned entry into and exit from Latvian ports).

- 169 instances of unsanctioned transport-column movement (1,940 vehicles) on Latvian territory.
- The unsanctioned movement of 17 trains (350 boxcars and flatcars with military vehicles and equipment) over Latvian railroads.

These violations reflect only part of what has been reported. Many reports are not precise enough to document. Nevertheless, the large number of reports from various locations indicates that Russian forces stationed in Latvia violate the laws and governmental decisions of the Republic.

The Ministry of Defense routinely informs the Latvian Ministry of Foreign Affairs of these violations. The Ministry of Foreign Affairs in turn submits [diplomatic] notes to the Russian Ministry of Foreign Affairs and to the Russian Embassy in Latvia.

Data on Russian Troops

934K0146B Riga LATVIJAS JAUNATNE in Latvian
13 Jan 93 p 2

[Report by Latvian Deputy Minister of Defense V. Pavlovskis: "The Russian Army in Latvia"]

[Text] There are 681 Russian military units stationed in Latvia, and they occupy over 70,000 hectares of our national territory. At this time there are about 27,000 members of the Russian military in Latvia, including 11,000 officers and warrant officers, and 16,000 soldiers.

1. In the Ground Forces—6,600 military personnel (including 3,600 officers and warrant officers, and 3,000 soldiers).
2. In the Navy—11,000 personnel (3,400 and 7,600, resp).
3. In the Air Force—7,500 personnel (3,200 and 4,300, resp).
4. In the Air Defence Forces—1,700 personnel (900 and 700, resp).

The Russian forces currently have at their disposal 29 T-72 tanks, 73 AFV's and APC's, 12 "Shilka" air-defense weapons systems, 36 various calibre 24 152mm and 12 122mm self-propelled howitzers [lack of punctuation reflects original], over 2,500 vehicles of various types and missions, 30 MiG-27 fighter-bombers, 20 Su-24 and Su-17 tactical bombers, 11 transport aircraft of various types, 11 helicopters, 12 submarines, 29 warships of various types and about 100 auxiliary ships.

The Russian security service and military intelligence and counterintelligence services continue their activities unimpeded, as attested by the over 20 intelligence units on Latvian territory. These include 11 in Riga city and rayon, three in Ventspils city and rayon, and three in Liepaja city and rayon, plus elsewhere.

In the second half of last year, the Russian army withdrew from 90 military installations, and 33 units left Latvian territory. Fifty military units have been disbanded in place, and 15 units have illegally been sold off to commercial entities. Thus, the Russian army is gradually leaving the territory of Latvia, but the 1 Feb 1992 communique's procedures for withdrawal are violated routinely. New troops are illegally brought in, and our air space continues to be violated. Mercenaries are being recruited for Russian military units in Latvia from among residents of Latvia.

On 1 Jan 1993, a 25th Motorized Rifle Brigade was illegally established. The Northwestern Group of Forces [NWGF] command has been unable to convincingly argue the need for the three tank battalions, two motorized rifle battalions, three artillery battalions, and other subunits making up the brigade.

The formation of such a brigade and its stationing in the immediate environs of Riga (in Adazi and Dobeles), coupled with the concentration of the armed forces in Riga city, Riga rayon, Liepaja, and Daugavpils, creates a constant threat to Latvia's independence and destabilizes the political situation.

The Ministry of Defense does not claim complete accuracy of the data on the status of Russian forces in Latvia, for the information has been compiled from the observations of employees of rayon civil service administrations and local residents. Nevertheless, our information does not contradict Commander of the NWGF General-Colonel Mayorov's announcement published in the 22 Dec 1992 issue of DIENA. The announcement stated that by 18 Dec, over 40 percent of the troops stationed in the Baltics had been withdrawn. Seven thousand military vehicles, 170,000 small arms, all fighter aircraft, 70 percent of the radars, and 80 percent of the anti-air weapons systems had been withdrawn from Latvia itself.

LITHUANIA

Lithuania's Russians Assess Situation

934K0443A Vilnius EKHO LITVY in Russian 2 Feb 93 p 4

[Commentary by Vladimir Kobrin: "We Must Make Ourselves Indispensable to Lithuania: A Reader Continues the Discussion"]

[Text] I read with great interest the account of the "round table" meeting conducted by the editors of the newspaper EKHO LITVY with representatives of the Russian community in Vilnius on 22 December 1992. As correctly remarked in the editorial note, the discussion went beyond the bounds of the topic as originally outlined. In their presentations and comments the "round table" participants touched upon such vitally important matters as the sharp decline in the standard of living, the development of culture and education among Russians

in Lithuania, communications links between the members of the Russian community and their historical homeland, and many other issues.

I would like to dwell on certain factors in the presentations made by the participants in this meeting. But first let me remark that I was astonished by the absence of presentations by the technical intelligentsia, by officials and staffers from industry, economists and workers, that is to say, by those who create—or by their own labor—provide for the creation of material values. Unfortunately, even the entrepreneur V.A. Kryuchkov spoke in his presentation about the need to predict situations, and that we must teach people “the complicated art of survival, the ability to get their bearings, to seek a way out of difficult situations...and to struggle for a worthwhile place in the sun.” But from an entrepreneur one would have wanted to hear—first and foremost—what should be done specifically to turn this situation around, to stop the disintegration of our state's economy. Not one of the participants in the meeting said anything about this.

The end of December marked one year since my family and I moved from Russia to Lithuania. And although that is a very brief period of time for drawing general conclusions, I do not think that I am mistaken in saying that the Russians in Lithuania play a notable role in the economy, particularly in industry. I fully agree with the assertion made by T. Yasinskaya, co-chairperson of the RKTs [clearing centers], that the “Russians here are not spongers or hangers-on.” All of them who wanted to (and had the right to in accordance with the law) have acquired citizenship in the Lithuanian Republic and possess the same rights that all the other citizens of Lithuania have. But—to my way of thinking—there were some faintly parasitical and even unjustified notes resounding in the complaints made against the Lithuanian state in many of the “round table” presentations. Let's just take, for instance, the matter of receiving books and periodicals printed in Russian from Russia, as well as correspondence from there. Allow me to cite a personal example. It has already been about two months, and—perhaps—even more, since letters to me have ceased arriving from Russia. At the beginning of December I received a letter from Russia; it was accompanied by a little note in which my correspondent writes that a letter which she sent to me at the end of October “was returned within a few days with a sticker attached containing the following words: ‘15 rubles due.’ I paid this amount and sent the letter off. Within a few days it was returned to me again with a sticker marked: ‘45 rubles due.’ And so I sent it off a third time, and I am not at all sure that it will not be returned to me again.” She added that “this is a calculated way to separate people.” But, fortunately, the letter succeeded in slipping through the next price increase—this time all the way up to 75 rubles. And a few days ago the Russian radio announced that a new postage rate had been set at 100 (one hundred) rubles! And just yesterday a new letter arrived, also from Russia, which informed me that 1,500 rubles must now

be paid to send printed matter weighing 400 grams! And, of course, they did not send this material to me in Lithuania. So should we really complain to the Lithuanian government that letters have virtually stopped coming to me? Even though our rate for a letter to Russia is 10 coupons, and this is quite a bit for me as a pensioner, still the amounts “to there” and “from there” are not comparable.

Most of the speakers at the meeting in the editorial offices accorded attention to the education of Russian-speaking children and—in particular—to the training of teaching personnel for the Russian schools. But it seems to me that we should train teachers in a number of disciplines here in Lithuania and—in different disciplines or subjects—in Russia, i.e., where one could expect to achieve better results. This is all the more true in that agreement has been reached with representatives of the Russian Ministry of Education with regard to sending specialists for a training period in Russia. But the issues of financing have not yet been resolved.

Yes, the financing of measures to preserve, support, and develop Russian culture in Lithuania, to provide for school education, and to allocate funds for other matters is a complicated and hard nut. However, it must be and can be cracked. Let me set forth my proposals and suggestions on this matter below.

But first I'd like to dwell on two suggestions made by G.F. Kuzmina. The gist of one of them is that the schools should have a Christian classroom, where, in particular, the history of religion would be taught. I agree that children should be taught the history of religion. But, in this connection—to my way of thinking—we must bear in mind, in the first place, that children should be made acquainted specifically with the history of religion, rather than that of any one religion. They ought to study the history of all the world religions: Christianity, Islam, Judaism, Buddhism, as well as contemporary faiths, such as Krishnaism, for example. And, in the second place, we must teach the history of religion on an optional, elective basis—with the consent of the parents or that of children who have reached their majority. But we should not—to my way of thinking—set up “Christian” classrooms in schools. That could lead to dividing or isolating children along religious lines, and this—most likely—would be retained by them even as adults. In connection with this, I fully agree with His Eminence Khrizostom, who is categorically opposed to teaching theology in school. Even in such a democratic and tolerant country as the United States the teaching of theology in ordinary schools is forbidden.

In order to solve the problems which were raised at the “round table” meeting, we must—first of all—create an initiatory group, one which will include representatives from all the Russian communities in Lithuania. Its task will be to prepare specific proposals.

In my opinion, the most productive and important idea brought up at the “round table” meeting was stated by

Seimas member N.N. Medvedev. The essence of this idea is that "Russian organizations should unite on some sort of basis, most likely, that of Russian culture." In fact, representatives of six diverse Russian societies spoke at the "round table" meeting: the gentry, "The Light," "The Live Ear," "The Russian Society," "Hope," and "The Russian Cultural Center." Without consolidating all the public organizations, it would be difficult—and probably even impossible—to solve all those problems which were mentioned above.

I was somewhat surprised at the major key of N.N. Medvedev's announcement that we now have three Russian deputies in the Seimas. I would assume that we should be annoyed rather than pleased that there are so few Russians in the Seimas—only 2 percent of its members.

Without an in-depth analysis it is difficult to cite the reasons why there are only three Russians in the Seimas. However, it may be assumed that there are two principal causes. In the first place, there is the disconnectedness of the Russian community; and, in the second place, the activity of the Russian societies is basically limited by the framework of "their own," Russian cultural and educational tasks. Therefore, I would like to see the Russian societies—without waiting for consolidation—review and revise their goals and tasks with the aim of participating more actively in the life of the Lithuanian people and—first and foremost—in those of its structures which are engaged in reviving the economy of the Lithuanian Republic. We must make ourselves indispensable to Lithuania.

I would like to conclude my remarks with the same call with which His Eminence Khrizostom addressed the representatives of the Russian community: "Your unity is your future."

Citizenship Law Continues to Be Source of Problems

934K0422A Vilnius EKHO LITVY in Russian 2 Feb 93 p 3

[Article by T. Yasinskaya: "Passions Surrounding Citizenship Issue"]

[Text] Strange as that may be but even with the democratic Lithuanian law on citizenship, repeatedly approved throughout the world, passions continue flaring around it.

Another flare-up occurred this time as the result of a very small announcement which recently appeared in republic newspapers which, however, was awaited with impatience for a long time by thousands of people who arrived from Russia for permanent residence in Lithuania after 3 November 1989 (date of the adoption of the republic citizenship law) and before 29 July 1991 (the date of conclusion of the international treaty between Lithuania and Russia).

These people were promised a long time ago by both of the High Contracting Powers that they would be able to take Lithuanian citizenship in accordance with the

lenient "zero" variant. It was just that they were unable to activate the mechanism for this promise and even initial applications by thousands of people, fruitlessly visiting various offices, were refused.

Finally it happened. Exactly three days before the expiration of the long-ago established final deadline for determination of one's citizenship - 23 January of this year, acceptance of applications began. Due to extreme haste, even without registration. Hundreds of people formed a silent weary line by the 337th Office of the Vilnius Municipal Council. The clerks were nervous, wondering if there would be enough time to complete the processing.

Naturally, due to the shortage of information, everyone lunged for the door of hope, both recent settlers from Russia and those who have lived in Lithuania for a long time but either did not have time or did not decide in time to apply for Lithuanian citizenship, along with an entirely new category of applicants—wishing to renounce their recently received Lithuanian citizenship because they were leaving the country. Everyone got into the same line, waiting for the same unfortunate official! One cannot help but become irritated and inadvertently rude in a situation such as this.

Anger should not be directed at people, however. It is hardly the fault of those, at a minimum 20,000 individuals, who chose to live in Lithuania after 1989? They changed their place of residence and settled in a new locale without violating the laws of either Lithuania nor Russia. But they were penalized by both: they were "overlooked" with Lithuanian privatization checks and Russian vouchers, they were not allowed to buy out their residences and land plots, they were forced to endure quite a lot of indignities in applying for work as well and in the acquisition of documents for overseas trips, pensions, social assistance, and the like.

Anger should not be directed at the indecisive aborigines either accusing them on a wholesale basis of "missing" all deadlines for legal acquisition of citizenship and now running around bothering everyone. There were, of course, some people like that. But there are even more of those who were ill or on a prolonged overseas assignment. Those who, having lived in a rigid bureaucracy had no experience in the timely independent preparation of personal documents, the most mythical of which were specifically those pertaining to citizenship. For decades no one asked us our opinion about this, in a single stroke automatically registering us for membership in the pioneer organization, the trade union, or as citizens of the Land of Soviets.

At present it is impossible not to take this sort of psychological specifics into account. People are not being involved in a heartless state machine. The state mechanism is obligated to protect and serve the people.

Everyone must understand that today. In such a situation even Vladas Drema, the outstanding art critic and recent winner of the National Prize, currently found himself to be "an individual without citizenship." This 92-year old recently became bedridden, in addition to which, as indicated in one of the interviews, he has no intention of proving his natural right to Lithuanian citizenship to anyone since he has never resided in any other country.

Those, however, who have once lived in Russia or in other corners of the former Soviet Union, found it difficult and sometimes even impossible to make a timely selection between Russian and Lithuanian citizenship, because no such choice simply existed. Judge for yourself: the Lithuanian citizenship law was adopted on the former Union territory as one of the first, back in 1989, while the Russian one was the latest, adopted in the summer of 1992. What was there to compare and by which deadlines?

The "resettlement process" of the people, by the way, has not yet ended. Thank God that it is taking place on a voluntary basis. It is simply that tens of thousands of families on both sides of the new international border are yet to determine which hereditary ties prove stronger—Russian or Lithuanian ones, and how the family will move in the geographical space.

Specialists - social anthropologists estimate that another five to seven years will be required for this process, until society, stirred up by the spontaneous collapse of the Soviet Union, settles down. It would appear to be only natural that for many the final selection of citizenship still lies ahead.

Obstacles, however, are already appearing today. Those who automatically obtained Lithuanian citizenship and presently intend to move to Russia to live, cannot do so: the legal mechanism for renouncing citizenship is yet to be determined. Hundreds of people are thus rushing between the Lithuanian immigration service, commissions on citizenship of the self-administrations, and the consular department of the Russian embassy. Thus far without result.

These are our "citizenship passions." There cannot even be any talk at present about human dignity or a normal ensurance and practice of choice in the selection of citizenship. There is only yelling, mutual insults, total lack of necessary information and an endless series of indignities (the narrow corridor of the Vilnius Municipal Council, for instance, which is visited daily by up to 200 people, does not have a single chair.)

It turns out that this is no one's fault. A law was adopted, which was approved by the entire world, but no one has the time to implement a convenient, simple, and reliable mechanism for its execution.

From the editor: In publishing the material from our correspondent the editorial office is hoping to receive

some competent, well-meaning explanations from representatives of those services which determine the literate and timely completion of documents pertaining to citizenship. We are prepared to cooperate in the liquidation of one of the biggest flaws with regard to this question—the shortage of information.

Talks Delegate Ozolas Views Future Relations With Russia

934K0422B Vilnius EKHO LITVY in Russian 3 Feb 93 p 5

[From "Digest of Lithuanian Press" column: "LIETUVOS AIDAS"]

[Text] Our neighbor to the east. Negotiations, relations with Russia. This topic also received attention last week. Gintaras Visockas had a conversation with Romualdas Ozolas, member of the state delegation in negotiations with Russia and a Seimas member. The interview, a few excerpts from which we are offering digest readers as well, entitled "Is it True that Lithuania Intends Adhering to the Concept of 'A Minor State'?" was published on 28 January by the newspaper LIETUVOS AIDAS.

Question: What should our relations be with Russia? What principles should be used as a guide in the conduct of negotiations with that state?

Answer: We must be linked with Russia by good-neighborly relations. That is an axiom for all Lithuanian authorities. The principle by which one must be guided in the maintenance of such relations is as follows: a normal state deals with another normal state. If relations develop in accordance with the position of the Russians that their country is a major world power, while we are a minor one, development will take a direction that is unfavorable both for Lithuania and for Russia.

Question: Will Russia withdraw the army from Lithuania in a timely manner?

Answer: I think that the army will be withdrawn from Lithuania at the proper time. That issue has been internationalized. Russia understands this very well. In addition to that neither the "position" nor the "opposition" of Lithuania will be making concessions with regard to that issue since the world is seriously interested in the final deoccupation of the Baltic region.

Question: Will certain concessions be requested for that?

Answer: We shall see in the immediate future. Such attempts may, in fact, be made.

Two undoubtedly important factors exist in the day-to-day relations with Russia: regulated withdrawal of the army and development of trade relations with Russia in a direction advantageous for the state and society. All processes must be regulated in a legally precise manner. Great opportunities are opening up for Lithuania in the Kaliningrad Oblast. The creation of joint firms together

with Kaliningrad Oblast is highly promising under conditions of the duty-free trade regime in Kaliningrad (starting in the New Year such a regime was introduced beyond Nemunas).

Relations with Russia today are still not so confused that one must regret that Russia is increasingly becoming a Eurasian neosocialist superstate. There is much hope on both sides that relations may improve. I hope that the practice of these relations will take place correctly, in a regulated fashion, and in a direction that is safe for Lithuania.

I would like to stress once again: large or small states create nations—that depends on their activity. In both cases they act guided by extreme positions. Lithuania, I assume, should create its state visualizing it as normal," Romualdas Ozolas asserts.

Prepared by Tidas Zavorskis.

Editors Seek Prime Minister's Help

934K0444A Vilnius EKHO LITVY in Russian 9 Feb 93 p 2

[Report: "A Conversation About the Problems of the Press"]

[Text] Vilnius, 8 Feb (ELTA)—Today Bronislovas Lubys, the prime minister of Lithuania, met with the editors of the following newspapers: RESPUBLIKA, TIESA, LIETUVOS AIDAS, and LIETUVOS RYTAS.

Domas Sniukas (TIESA), Gedvidas Vainauskas (LIETUVOS RYTAS), and Vytas Tomkus (RESPUBLIKA) reminded the prime minister that only the state newspaper LIETUVOS AIDAS had been permitted to acquire a substantial building under privileged conditions. They submitted a proposal with regard to providing their own editorial staffs with office space by means of buying it without violating any laws. The prime minister agreed to place this item on the agenda of one of the government's next cabinet sessions.

Nowadays not everyone can purchase a fresh newspaper, not to mention several. They are expensive because of extremely high production costs. In the opinion of Domas Sniukas, the editor of TIESA, the price of periodicals could be reduced if the government would exempt them from the double excise tax which they pay for the services of printing enterprises and for distributing the newspapers.

The editors also spoke about the fact that the substantial Press House building should be utilized more effectively. This printing concern in Vilnius could operate at least four times more productively if its leading officials were interested in privatization and attracting investors. And the receipt of additional revenues would allow them to reduce the leasing fee for the editorial offices and lower the costs of publishing services.

The newspaper editors also have other problems which need to be solved at the government level. The prime

minister promised the editors that he would find the time to discuss them as well.

Polish Union Issues Declaration on Vilnius Rayon Problems

934K0444B Vilnius EKHO LITVY in Russian 12 Feb 93 p 2

[Declaration: "Pre-Election Declaration by the Vilnius Rayon Branch of the Union of Lithuanian Poles"]

[Text] During the period of direct rule the economic condition of the Vilnius Rayon has worsened catastrophically. The incompetent actions by the present-day leadership have exacerbated this economic decline. The well-being of the rayon's inhabitants has also become significantly worse. The tense inter-ethnic relations in this rayon have been further aggravated due to the one-sided policy of the rayon's present-day leaders. The agrarian reform being conducted has failed to justify itself and has suffered a collapse. Culture and education are experiencing a genuine crisis. There have been frequent cases of land not being returned to people.

The Political and Legal System

The Vilnius Rayon Branch of the Union of Lithuanian Poles advocates support for the territorial decentralization of power and a strong, competent self-government. Such self-government should have at its disposal a budget which it itself has drawn up, and it should conduct its own independent economic policy. It should also concern itself with issues involving internal administrative-territorial divisions, create a police force under self-government, and engage in trying to solve cultural and educational problems.

Agriculture and the Economic Development of the Vilnius Rural Area

1. We must slow down the decline in the production of agricultural items and create the conditions for increasing their production based on restructuring the present-day producer relations, new forms of economic management, and making the transition to more efficient use of the Vilnius region's economic potentials.

2. We must increase the profitability of agricultural and livestock-raising products by means of processing them into ready-made food items. For this purpose, we must facilitate the producers' own abilities to build shops for processing vegetables and fruit, meat and milk, involving the industrial enterprises of Vilnius Rayon and the city in this activity as much as possible. Such a measure would increase employment and permit us to avert unemployment.

3. We must organize the marketing and economic activity being conducted by enterprises in the marketplace, create joint firms with enterprises from other states.

4. We must analyze the activity of the regional agrarian services and create the conditions for active participation by the local population in privatizing property and turning the land over to its legitimate owners.

5. We must introduce new forms of activity on the returned land, based on various forms of self-government and uniting the individual owners for cooperation in the field of agriculture, the commonly shared use of equipment, retaining collective farms, and creating new production cooperatives.

6. A portion of the investment outlays should be channeled into completing the construction of facilities which have already been begun, assisting in the construction of modest-sized plants turning out building materials made from cheap local raw materials.

7. In electing persons to serve in the executive branch in both the rayon and in the localities, we must proceed primarily on the basis of competence and professionalism.

The System of Social Care and Protection

In connection with the growth of unemployment and the reduction in the population's real income, the sphere of social assistance is particularly important. The system of social care and protection must not be limited to the traditional guardianship. It should render assistance when persons are beginning an independent economic activity. We are in favor of supporting families with many children, citizens who live alone, invalids, and pensioners. We are likewise for creating advantages for them in obtaining housing, tax breaks, and reducing their payments for municipal services.

Culture and Education

All the inhabitants of this rayon should have equal conditions for developing their own cultures. Self-government should assist in the development and preservation of the cultures of all peoples, nationalities, and ethnic groups living here.

The state and the self-government should provide equal support for teachers and cultural staffers regardless of their nationality or the subject being taught by them. There should be no priority for any language in connection with inaugurating new school classes and preschool groups. We need to improve the fundamentals of teaching the state language. Conducting certification in the state language must in no case lead to a dismissal of teachers or cultural staffers from their posts.

Inter-Ethnic Policy

Inasmuch as the Polish population comprises the majority in this rayon, the Polish language should achieve practical recognition as the local language. It

should be used by the administrative authorities, juridical organs, and other institutions, as well as on informational inscriptions and documents—on an equal basis with the state language.

Certification in the state language—to be conducted among the national and ethnic minorities—should be postponed until the year 2000; and it should be conducted under favorable conditions, taking the regional specifics into account.

The Pre-Election Declaration of the Vilnius Rayon Branch of the Union of Lithuanian Poles was adopted unanimously at a session of the Union of Polish Lithuanians Rayon Board held on 8 January 1993.

Landsbergis Honorary Chairman of New Party

934K0444C Moscow PRAVDA in Russian 3 Mar 93 p 1

[Report by Vladas Bikulcius: "There Really Is Such a Party"]

[Text] The "Union for National Rebirth"—that is what the new party will be called; it has been formed on the basis of Sajudis. The change of name and organization of this former public organization into a party is not by accident. The decline in prestige suffered by Sajudis has compelled the "rightists" in Lithuania to restructure their ranks. V. Landsbergis has remained as honorary chairman of the new party.

Scandinavia Provides Funds To Fight Drug Trafficking

934K0444D Moscow NEZAVISIMAYA GAZETA in Russian 25 Feb 93 p 6

["Postfactum" Report: "A Million Dollars To Fight Drug Addiction"]

[Text] The Scandinavian countries have allocated 1 million dollars to Lithuania for the fight against the drug mafia. According to data furnished by the newspaper RESPUBLIKA, there are now about 600 drug addicts registered in Lithuania. However, in the opinion of health-care specialists and the Ministry of Foreign Affairs, this figure is obviously too low. The attention paid by the Scandinavian countries to this sphere is caused primarily by the fact that they fear that Lithuania is being turned into a trans-shipment point through which illegal drugs "flow" to the West. And that is because the Lithuanian Customs Service is still incapable of ensuring that effective monitoring controls are used in this matter.

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22 MARCH 1993